

CHARITABLE REMAINDER TRUST

A Charitable Remainder Trust is an irrevocable gift plan that allows you to provide payments to yourself or others while also leaving a legacy that supports ministries even after your lifetime.

As a unitrust donor, you irrevocably transfer assets, usually cash or appreciated securities, real estate, etc., to a trust to be managed by a trustee. During the trust's term, the trustee invests the trust's assets and each year distributes money to the individuals named as income beneficiaries in the trust document. These payments continue for their lifetimes or a set term not to exceed 20 years. When the trust term ends, any funds remaining in the trust are distributed as a generous gift to the church. A charitable income tax deduction is available to the donor when initially funding or adding to the trust.

The trust's language will determine how the income payments to the beneficiaries are calculated. A Unitrust (CRUT) will distribute a fixed percentage of the unitrust's value, as revalued annually, to your beneficiaries. If the unitrust's value goes up from one year to the next, its payout increases; if the value goes down, the amount it distributes also goes down. The other option is an Annuity trust (CRAT), which pays a fixed dollar amount annually for the life of the trust.

This gift type is practical and tax efficient, yet most importantly it will continue to tell the story of your hope in Christ.

Check-list:

- ✓ **ESTABLISH/FUND YOUR CHARITABLE TRUST:** with an experienced attorney to draft the document and carefully choose a trustee to manage the trust. Transfer highly appreciated assets into the trust. The Trust sells the assets without creating a taxable event and reinvests in securities appropriate for the trust's goals.

- ✓ **INFORM THE CHURCH:** Although completely optional, you may want to share the basic details of your retirement account gift intentions with the church. Advance knowledge of your gift can be of great help to the church.
- ✓ **INSPIRE:** Share news of your gift with loved ones. Tell of your faith and of the church in your life; invite loved ones and friends to consider how they can be a blessing to others through their own planed gift.

Help: We have resources for help and guidance. You are welcome to connect with us at the church or you may speak with a Ministry Relations Officer (MRO) from the Presbyterian Foundation to help guide you through this important giving process.

The Presbyterian Foundation does not render legal, tax or professional advisory services. For advice and assistance in specific situations, the services of an attorney or other professional advisor should be obtained. Additionally, the requirements of local law should be observed when examining testamentary arrangements.

This is a sample only, and does not constitute advice, legal or otherwise; The Presbyterian Foundation makes no representations that this sample document complies with the specific requirements of local law.

HELP FOR CHARITABLE REMAINDER TRUST

I want to bless my church, its ministries and those who follow me with a gift through my estate.

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