

# Charitable Remainder Trust

You transfer cash or property to a trust that pays income for your life or a term of years. The remainder goes to ministry.

## The Need

You desire to convert appreciated property that produces little or no income into a productive asset without paying capital gains tax on the sale of your property.

## The Solution

You contribute appreciated property to a charitable remainder trust that will sell the property tax free and make payments for your lifetime or a specified term of years. The trust may pay income to multiple beneficiaries.

## The Benefits

### **Bypass Gain**

The trust sells your property tax free.

### **Increased Income**

The trust pays you a percentage of its value.

### **Tax Deduction**

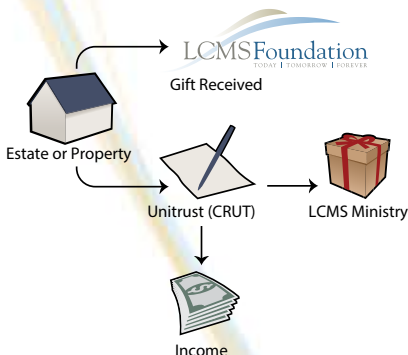
You receive a current federal income tax deduction.

## The Details

You transfer cash or appreciated property to the charitable remainder trust (CRT). The CRT is a tax-exempt trust that can sell the property without paying capital gains tax.

## Duration

A CRT can last for the lifetime of one or more beneficiaries or for a specified term of years. This type of trust may, instead, be funded at your death from your estate, pay an income to your heirs, and leave a gift to ministry.



## Annuity vs. Unitrust Payout

A charitable remainder annuity trust (CRAT) pays a fixed dollar amount each year. A charitable remainder unitrust (CRUT) pays an amount equal to a percentage of the trust value at the beginning of each year.

## Taxation of Payouts

Most CRT payouts are taxed as ordinary income.