



~ Creating A Charitable Remainder Trust ~

If you are interested in using a single giving instrument to benefit several of your charities simultaneously, you may wish to consider a Charitable Remainder Trust.

There are two basic types of Charitable Remainder Trusts:

1. CRAT or Charitable Remainder Annuity Trust, and
2. CRUT or Charitable Remainder Unitrust.

A CRAT is an excellent option for persons 75 or older with estates of \$500,000 or more. The one or two-life annuity trust provides a fixed return and is excellent for the senior person who wants the security of a known return and is less concerned about the ravages of inflation.

One particularly useful option is funding the annuity trust with cash or municipal bonds. If only municipal bonds are in the trust portfolio, all income distributed under the annuity payment will be municipal bond income and not taxable to the recipient.

A CRUT is a trust that must pay a fixed percentage, not less than 5%, of the net fair market value of its assets to one or more beneficiaries with the remainder interest contributed to charity. It is an excellent option for married couples with estates of \$500,000 or more who are age 60 or older. Most two-life unitrusts will be funded with appreciated land or stock, which is currently producing a low income. Primary motivating benefits for using the unitrust include the desire to gain a better income, diversify the previous investment and bypass the capital gains tax.

Either a CRAT or CRUT may be used to benefit one or several of your favorite charities simultaneously.

The Camp-aign for American Kids can help establish the type of charitable trust that best serves your needs. For more information on creating your own trust, please contact Jon Sherry at Camp-aign Headquarters: 804-266-7130, or Jon@ForAmericanKids.ORG