

Giving through a Charitable Remainder Trust

allows you to receive income for the rest of your life, knowing that whatever remains will benefit your community.

How it works

- You transfer cash, appreciated stocks, real estate, or other assets into a trust.
- You receive an immediate charitable tax deduction for the charitable portion of your trust.
- The trust pays you or a beneficiary you designate regular income payments.
- Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust transfer to the Community Foundation.
- We set up a fund in your name, in the name of your family or business, or in honor of any person or organization you choose.
- We handle all the administrative details after the fund is established, issuing grant awards to charities in the name of the fund.
- Your gift can be placed into an endowment that is invested over time. Earnings from your fund are used to make grants addressing community needs. Your gift – and all future earnings from your gift – is a permanent source of community capital, helping to do good work forever.

More Benefits

You may choose to receive a fixed income or one that changes with market conditions – income from the Charitable Remainder Trust you establish may add up to more than interest and dividends you earned from holding the assets. You can use it to supplement your own lifestyle or that of someone other than yourself: a sibling, a dependent parent, a friend, or a former employee. You can start receiving annuity payments immediately, or defer them to increase your charitable income tax deduction.

A portion of the income may be a tax-free return of principal, while some is taxed as ordinary income or capital gains. The amount of the annuity paid and the tax deduction received depend on the age of the recipient and the current annuity rate (as established by the Internal Revenue Service).

You can pick one of these options for your Charitable Remainder Trust:

- *Annuity trust* pays you a fixed dollar amount.
- *Standard unitrust* pays you an amount equal to a fixed percentage of the net fair market of the trust and is recalculated annually.
- *Net income unitrust* pays you the lesser of the fixed percentage specified by the trust agreement or actual trust income; some net income unitrusts allow you to make up deficiencies in past years.
- *Flip unitrust* is a net income unitrust that converts to a standard unitrust upon a triggering event, such as the sale of an asset used to fund the trust.