



FamilyCoreSM

Strengthening Families
for a Stronger Community

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PLANNED GIVING BRIEFS

CHARITABLE REMAINDER TRUST

Avoid Capital Gains with a Charitable Remainder Trust

Are you looking for a way to avoid higher capital gains tax on the sale of your appreciated stock or real estate? With tax rates rising, you may want to consider transferring your property to fund a charitable remainder trust (CRT). The trust will sell your assets tax free, which can provide significant savings to you on this year's tax return.

Benefits of a Charitable Remainder Trust

The charitable remainder trust (CRT) has a number of significant benefits in addition to bypass of capital gains tax. The trust pays income to you or you and your spouse for life for a term of up to 20 years and you benefit from a charitable tax deduction at the time of your gift. After you pass away, we receive the remaining trust assets to help further our good work.



Ways to Receive Charitable Trust Income

There are two charitable trust payout options to consider. Most charitable remainder trusts pay income based on the trust value. This type of trust, called a charitable remainder unitrust, may pay you increased income over time with growth in the trust. The other type of trust, a charitable remainder annuity trust, makes a fixed payment to you based on the value of your gift. Check with us to see the best payout option for you.

Options for Cash and Income

It is possible for you to receive some cash up front from the sale of your property and also lifetime income from a unitrust. This sale and unitrust option is created when you contribute a portion of your property to fund the trust. Once the property is sold, the proceeds are then divided between the trust and you. While you may owe tax on the cash you receive, the charitable deduction from your unitrust may partially or even completely offset these taxes.

To learn more about the benefits of creating a charitable remainder trust or to view a charitable remainder trust illustration, visit our website — www.familycore.org — or give us a call today.

