

Charitable Remainder Annuity Trusts

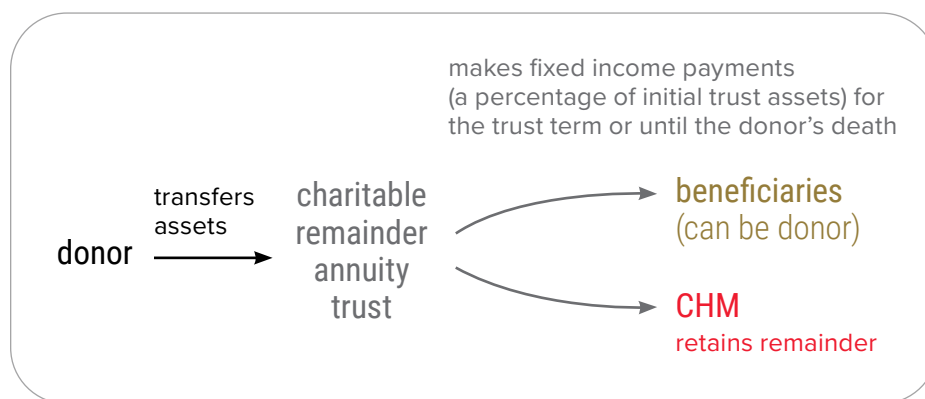
The major difference between the two types of charitable remainder trusts (CRTs) is how income is paid out to named beneficiaries. A charitable remainder annuity trust (CRAT) pays a fixed income (a percentage of initial trust assets) throughout the trust term—an amount unaffected by market fluctuations. No additional contributions are allowed.

Concept applied:

A donor interested in a CRT may choose a charitable remainder annuity trust to secure a reliable, fixed payout that is unaffected by the fluctuating value of underlying trust assets.

How it works:

David Wickliffe plans to retire soon and wants a dependable payout to supplement his retirement income. He likes the fact that a CRAT will pay him a guaranteed annual income that will not fluctuate, regardless of the trust's investment performance. David donates highly appreciated stock to the trust, qualifies for an income tax deduction (subject to limitations), and owes no immediate capital gains tax on the appreciation. When David dies, his named charity will receive the remaining trust assets.



Why is it useful?

A CRAT offers reliability—a guaranteed stream of annual income payments that do not fluctuate with market performance. For donors who want stability, a CRAT is an excellent option to meet both personal and charitable goals.



PLANNED GIVING

CHM: NOW AND INTO THE FUTURE

From the telescope to the printing press to the steam engine, technological revolutions have always transformed the human condition. But never has there been a technological revolution set to change our world in pace, scope, and scale as the one in which we are currently immersed. Nonexistent only a lifetime ago, the forces of change brought on by the computing revolution are permanent, universal, and accelerating at an exponential rate. Great opportunities and great challenges have arisen on a scale never seen before.

This complex present and even more uncertain future requires a new citizenship—one that is equipped with knowledge, inspired by vision, and empowered to take action; one that values problem-solving, critical thinking, and collaboration; one that sets innovation and leadership in pursuit of equitable growth; and one committed to creating a sustainable future and improving the quality of life for this generation and the next.

CHM is in a unique position to empower people as catalysts for change inside our current technological revolution. CHM is using its extensive network and historical expertise amassed over four decades to promote a new citizenship for the digital age, bringing together companies and nonprofits, government leaders and policymakers, scholars and educators—because it will take all of us working together to build the future we envision.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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