

Charitable Remainder Unitrusts

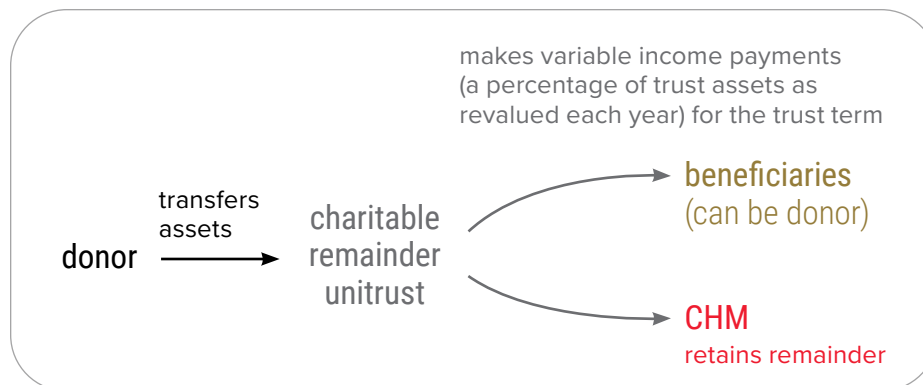
The two types of charitable remainder trusts (CRTs) differ in how they pay out income to named beneficiaries. A charitable remainder unitrust (CRUT) makes a variable annual income payment (a percentage of annually revalued trust assets)—the amount increases or decreases along with trust assets.

Concept applied:

A donor interested in a CRT may choose a charitable remainder unitrust to secure a variable income (responsive to market changes) for life or for a term of years (not more than 20) for one or more individuals.

How it works:

Annie Barr wants to make a significant gift to charity. She has always invested in equities and is optimistic about the economy so she chooses a straight CRUT—if the trust assets increase or decrease, so will her annual payments. Annie donates appreciated stock to the trust and qualifies for a tax deduction (subject to limitations) based on current interest rates and her 5% annual payout amount. At her death, the trust will distribute the remainder to her named charity.



Why is it useful?

A CRUT is a flexible planning tool that lets donors convert assets into an income stream that varies from year to year to reflect market performance. The amount of income that beneficiaries receive depends partly on the type of CRUT—a straight CRUT, a net income unitrust, a net income unitrust with make-up provision (NIMCRUT), or a flip unitrust.



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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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