



Charitable Remainder Trusts

A charitable remainder trust is an irrevocable trust that generates a potential income stream for you, as the donor, or other beneficiaries, with the remainder of the donated assets going to a charity or charities of your choice.

With a charitable remainder trust, you alone, or you and your spouse, may receive income for life or, if you choose, a certain term of years (not to exceed 20), from assets you donate to the trust. You can also name someone else to receive this potential income stream.

There are two main types of charitable remainder trusts:

- **Charitable remainder annuity trusts**, or CRATs, distribute a fixed annuity amount each year and additional contributions are not allowed.
- **Charitable remainder unitrusts**, or CRUTs, distribute a fixed percentage valued annually on the balance of trust assets. Additional contributions can be made.

Possible benefits of a Charitable Remainder Trust:

- You may receive a charitable income tax deduction at the time of the trust creation.
- You have the potential for increased annual income from a charitable remainder unitrust.
- You can avoid up-front capital gains tax on appreciated assets.
- You may receive professional management of trust assets.
- You might be able to convert assets generating little income into higher-yielder assets in a trust.
- After the specified timespan of the last income beneficiary, the remaining charitable remainder trust assets are distributed to your designated charity or charities.

There are a variety of charitable giving vehicles for you to choose from. Please see your financial advisor for further details and to review these potential gifts in light of your overall financial circumstances. For further information, please call Anita Hanna at 717-560-9969 or by email at ahanna@sscclanc.org.