WHAT IS A CHARITABLE REMAINDER TRUST?
A Charitable Remainder Trust (CRT) is a planned giving vehicle that provides immediate tax benefits and is structured to generate lifetime income for specified beneficiaries (including yourself). Upon a donor’s death, the “remainder” of the trust’s assets are transferred to a beneficiary nonprofit organization. CCF offers various types of CRTs, including Charitable Remainder Unitrust, Charitable Remainder Annuity Trust and Net Income Makeup Charitable Remainder Unitrust.

WHO SHOULD CONSIDER A CHARITABLE REMAINDER TRUST?
Donors who want to generate income for themselves or loved ones, reduce taxes and support the causes they care about. It also may be a good fit if a donor wishes to create a permanent fund through the trust.

WHAT ARE THE BENEFITS OF A CHARITABLE REMAINDER TRUST?
- You can create income for yourself as well as loved ones
- Flexibility to choose income for life or a term of years, or both
- You can gift cash, real estate, securities and other appreciated assets
- CCF prepares Charitable Remainder Trust gift proposals and estimated deduction calculations for you and your advisors to review
- CCF manages payments, tax returns and K-1 forms on an ongoing basis

HOW DOES A CHARITABLE REMAINDER TRUST WORK?
1. Donor establishes a trust, and CCF serves as trustee of transferred assets.
2. Donor and/or beneficiaries receive long-term income from the trust.
3. Upon the death of the beneficiaries, the remaining assets are donated to charities named in the trust.
As a trustee for the CRT, CCF manages investment policies and monitors trust investments. A third-party manager, a bank trust company, administers each trust and prepares trust tax returns.

A Charitable Remainder Trust can be set up to provide a fixed amount each year (Charitable Remainder Annuity Trust) or a percentage of the trust’s value (Charitable Remainder Unitrust).

**CONSIDERATIONS**

- Contributions made to a CRT are irrevocable gifts
- Some gifts are not allowed, including gifts of S Corp stock and encumbered assets
- All unrelated business taxable income (UBTI) is taxed at a rate of 100%
- Beneficiary payments are subject to the “WIFO” (Worst In, First Out) tax method, which treats the highest tax rate as the first distributed
- Note that some illiquid assets may not be appropriate for a CRT if they do not generate sufficient income
- If the trust’s payout exceeds its investment return, the trust could spend down all assets
- The trust cannot be amended to add/remove noncharitable beneficiaries or change payout amounts

**WHAT ARE THE ACCOUNT MINIMUMS AND FEES?**

A CRT at CCF may be opened with $100,000. There is a trustee fee of 0.5 percent of assets per year (assessed quarterly), plus fees charged by the third-party administrator for investment management and trust administration.

**THE LEGACY SOCIETY**

Donors may designate a Charitable Remainder Trust to benefit CCF in a will or trust. CCF honors such donors with exclusive benefits such as:

- Members-only events on current issues and trends
- Recognition in CCF’s annual report and website and at events
- Private meetings with professional advisors and distinguished members from CCF’s Board of Directors

To establish a Charitable Remainder Trust, contact Vice President of Development & Donor Relations Teresa Mosqueda at tmosqueda@calfund.org or (213) 452-6298.