Charitable Remainder Trusts

A charitable remainder trust is a "split interest" giving vehicle that allows you to make contributions to the trust and be eligible for a partial tax deduction, based on the CRT’s assets that will pass to charitable beneficiaries. You can name yourself or someone else to receive a potential income stream for a term of years, no more than 20, or for the life of one or more non-charitable beneficiaries, and then name one or more charities to receive the remainder of the donated assets at the end of your lifetime. The trust is also protected from creditors.

There are two main types of charitable remainder trusts:

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

Contributions to CRATs and CRUTs are an irrevocable transfer of cash or property and both are required to distribute a portion of income or principal, to either the donor or another beneficiary. At the end of the specified lifetime or term for the income interest, the remaining trust assets are distributed to one or more charitable remainder beneficiaries.

Next Steps

Consult a bank or financial management company to see if this is an option for you.

All of your donations of time, talent and financial support are greatly appreciated. Please remember that the church has expenses to meet every month of the year.