



## Charitable Remainder Trusts

**Charitable Remainder Trusts** allow you to make a gift now and receive income for your lifetime or a term of years (up to 20). You can claim an immediate tax deduction and a portion of your beneficiary payments will be tax-free income. Upon the deaths of all beneficiaries, the remaining balance in the trust account is distributed to Clark for the purpose you have designated. Clark will serve as trustee for charitable trusts; we work with State Street Global Assets to invest and manage our trust accounts. You can also designate Clark as a remainder beneficiary for a trust that is trustee and managed elsewhere.

### Charitable Remainder Unitrust

A **Charitable Remainder Unitrust** provides for annual payments to the designated beneficiary(ies) of a specified percentage —between 5.0 - 6.5% (as chosen by the donor) of the market value of the trust as of December 31<sup>st</sup> of each year. Since the value of trust assets may vary from year to year, the payments will also vary, allowing the opportunity to keep pace with inflation but also open to the risk of payments falling if investment returns fall.

### Charitable Remainder Annuity Trust

The **Charitable Remainder Annuity Trust** provides for payment of a fixed-dollar amount to the designated beneficiary(ies). The amount must equal at least 5% of the initial fair-market value of the trust.

#### Charitable Remainder Trust Basics:

- Minimum gift of \$100,000 which may be reached over up to 5 years, additional gifts may be added to the trust at any time
- Funding assets can include cash, appreciated securities, real estate, tangible personal property, business interests and closely held securities
- Between 1-4 beneficiaries can receive payments
- Beneficiaries of lifetime trusts must be aged 60 before payments commence; beneficiaries of term-of-years trusts (up to 20 years) may be any age
- Payments can be delayed until a future date or event such as the sale of illiquid assets in the trust or retirement
- Requires the donor's lawyer to draft the trust agreement (in consultation with Clark)

**For more information on how a Charitable Remainder Trust might be a helpful tool in your philanthropic planning, please contact the Clark Office of Planned Giving at (508) 793-7593 or [plannedgiving@clarku.edu](mailto:plannedgiving@clarku.edu).**

*Clark University does not provide legal or tax advice. We recommend that you seek your own legal and tax counsel in connection with gift and planning matters.*