

Charitable Remainder Trusts

Customizable income and tax savings. A legacy of stewardship.

A Charitable Remainder Trust (CRT) allows you to customize your income plan and giving—with the possibility of creating immediate tax benefits.

Charitable Remainder Trusts are ideal if you

- Want a customized income plan for self, spouse, and/or children
- Desire potential capital gains tax savings
- Want an immediate income tax deduction
- Have appreciated stock, real estate, or business interests
- Are preparing for a life or financial transition
- Have a moderate to large taxable estate
- Wish to give to ministry
- Plan to sell appreciated assets (business, real estate, etc.)

A Charitable Remainder Trust is an extremely popular option that allows you to receive income payments for you and/or your family—and enjoy immediate tax benefits. In addition, you’ll have the benefit of giving to the ministry of your choice at the completion of your trust.

Here’s how the Charitable Remainder Trust works

To establish the trust, assets are transferred to AG Foundation, which, in turn, pays you income according to the terms of the trust. You can receive lifetime income payments for yourself and a spouse, and up to 20 years to third parties. Upon completion of the trust’s term, the remainder of the trust’s principal is transferred to the ministry of your choice.

A Charitable Remainder Trust is an irrevocable trust that may offer immediate tax benefits and assures your wishes will be carried out. Income paid out by the trust is taxable to the income beneficiary.

Why it’s so customizable

One of the most appealing benefits of the Charitable Remainder Trust is your ability to create a personalized plan according to your needs. Income payments can be fixed or in annually adjusted amounts. These payments can fluctuate and grow based on terms and investments. And you can choose the ministry or ministries as well as levels of giving each receives.

Funding and minimums

Charitable Remainder Trusts can be funded with cash, real estate, business interests, antiques, art, and other assets. Minimum required funding is \$50,000 for cash or securities, or \$100,000 for real estate.

Charitable Remainder Trust Options

1. Charitable Remainder Unitrust (CRUT)

- Annual payout is determined by donor
- Account balance is revalued at the beginning of each year
- Minimum required payout of 5%
- Income may fluctuate from year to year

2. Charitable Remainder Annuity Trust (CRAT)

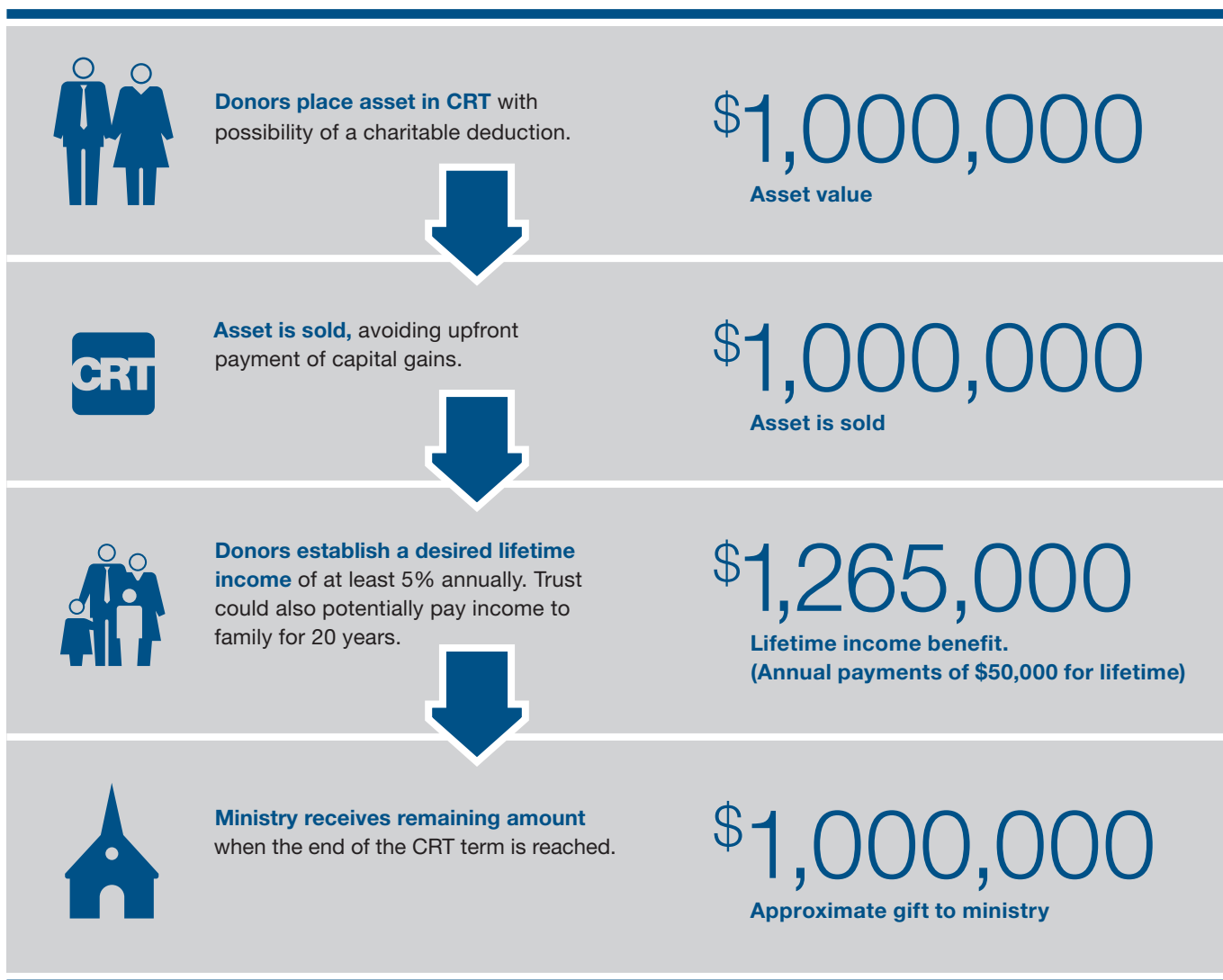
- Donor receives a fixed payment
- Payment can be based on life expectancy or term of years
- Payments begin immediately upon funding

Charitable Remainder Trust

Scenario*

Bill and Mary Smith, both age 66, were nearing retirement and looking to sell their real estate. Over the years, their property had increased substantially in value. Now with retirement on the horizon, the Smiths were looking for a way to sell their highly-appreciated property, generate income for their future, and avoid paying capital gains tax.

With a Charitable Remainder Trust, Bill and Mary were able to bypass capital gains, increase their income, and receive a charitable tax deduction while blessing the ministry of their choice.



*This example is based on a hypothetical fact scenario and is intended for illustration purposes only. The terms, tax benefits, expected income and expected ministry benefit are dependent on several variables that are different in each situation, including age(s) of the donor(s), tax bracket of the donor(s), term of the trust, type of asset(s) used to fund the trust, type of Charitable Remainder Trust used, and investment of the trust assets. Consult your tax advisor for more information that is specific to your situation.