

Charitable Remainder Trust



Do you want to secure a stream of income for you or a loved one and leave a charitable legacy to benefit the Jewish community?



Do you want a fixed income based on the original value of the transferred assets? Consider a Charitable Remainder Annuity Trust (CRAT).



Or do you prefer the income as a percent of the trust's annual value? Consider a Charitable Remainder Unitrust (CRUT).



Charitable Remainder Trust at a Glance

- May be set up during your lifetime or through your will
- Provides you or a loved one with income for life or a term of years; you determine if income is a fixed amount (annuity) or a percentage of the trust's annual value (unitrust) when you establish the trust
- Eliminates initial tax on capital gain for contributed appreciated property
- Provides a current income tax charitable deduction as well as potential estate tax benefits
- Enables you to create a permanent endowment and make a significant contribution to the Jewish community

More Information About the Charitable Remainder Trust

A Charitable Remainder Annuity Trust (CRAT) avoids market and interest rate fluctuations and ensures that you or someone you designate receives a fixed income payment for life or a term of years.

A Charitable Remainder Unitrust (CRUT) provides income based on a percent of the trust's annual value. If trust assets grow, the increasing value of the trust portfolio will result in larger annual payments.

You may give cash, appreciated securities or real estate to set up the trust, either during your lifetime or through your estate plan. Donors often use appreciated property for the greatest tax benefits.

Your current income tax deduction is based on the expected value that the charity will receive when the trust terminates.

Donors selling a closely held business sometimes create a charitable remainder trust (CRAT or CRUT) to minimize taxes while achieving philanthropic goals.

The Jewish Community Foundation receives the balance in the trust at the end of the trust term.

If you decide to use appreciated assets to fund a CRAT or CRUT, no capital gains taxes are due when the securities are contributed. Instead, a portion of your annual trust income will be subject to capital gains tax.

Note: in periods of investment loss, the value of the trust may be reduced and the payments to the beneficiary may be lower.

FOR MORE INFORMATION, PLEASE CONTACT:

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The Jewish Community Foundation partners with and inspires philanthropists and the Greater Washington community to advance a thriving, equitable world where all people can reach their full potential.

Combining Jewish values with personalized service, we inspire generosity, support philanthropists in maximizing their impact, and build and participate in learning and funding communities to make systemic, lasting change for generations to come — within and beyond the Jewish community.

TURN TO THE JEWISH COMMUNITY FOUNDATION FOR:

- Support with giving to your favorite causes within and beyond the Jewish community
- Building a permanent legacy to support the work of Federation's family of agencies and the Greater Washington community
- Access to philanthropic and intergenerational learning programs ground in Jewish values and teachings
- Collaborative giving opportunities to amplify your impact
- Personal, impact-focused philanthropy advisory services
- Tax-advantaged gift options

The Jewish Community Foundation and The Jewish Federation of Greater Washington do not provide legal, financial, or tax advice. Donors are encouraged to seek independent tax and legal counsel.