

# Testamentary Charitable Remainder UNITRUST

One of the challenges people face when creating an estate plan is finding the best way to provide for children or grandchildren while also encouraging important values, such as hard work, living within one's means, the value of money and saving for a rainy day.

## A Strategy to Provide A Lasting Inheritance

A testamentary charitable remainder unitrust, or “testamentary CRT,” is a trust that is funded through your estate plan. The trust will

provide for your heirs by making regular payments for life or a term of up to 20 years. After all of the required payments have been made, any remaining funds will be transferred to support our organization. In that way, a testamentary CRT will allow you to provide for family and the causes you care about.

Here are some of the advantages of this plan:

- You select the income beneficiaries, the percent of trust assets that are paid out each year, the trust duration and each beneficiary's interest in the trust.
- The trust will provide an inheritance that is paid out

### Providing a Lasting Inheritance that Teaches Lasting Values

If you are looking for a strategy that balances providing for family with passing important values on to the next generation, you should consider a testamentary charitable remainder trust.

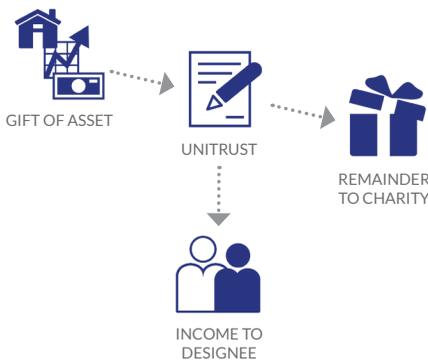


over time as opposed to a lump sum distribution.

- Your beneficiaries will not be able to access the trust principal or change the payout percentage.
- This plan is perfect for children or family members who may not be ready for a lump sum inheritance or who are not financially responsible.

## A Tax-Wise Inheritance Plan

There are significant tax advantages to creating a testamentary charitable



remainder unitrust that benefits your heirs. Assets that

are normally taxable to heirs (such as IRAs) may be transferred to this plan tax free. The amount transferred to the trust also reduces the value of your estate, lowering potential estate taxes.

## A Way to Teach Lasting Values

Studies show that most children who receive a lump sum inheritance spend it within 12 to 18 months. With a testamentary CRT, you can provide for your children and grandchildren in a way that provides a lasting inheritance and lifelong values. You select the time period for the trust payments. A testamentary CRT can provide income for the life of your spouse and then for a number of years for children, for the lives of your heirs or for a term of up to 20 years.

## Achieving Your Personal and Charitable Goals

### Definitions

#### Charitable Remainder Unitrust

A tax-exempt, irrevocable trust that is funded by a charitable donation and which pays income to individual beneficiaries for life or a set number of years, after which the remaining trust assets are transferred to one or more designated charities.

#### Testamentary Charitable Remainder Unitrust

A special kind of trust created after your death where assets are transferred to it tax free, and the trust pays your spouse, other family member or friends for a term you designate. After all lifetime payments are made, the balance of the trust is given to charities you have selected.



## Definitions

### Will

A written document that lets you state how you want your property or estate distributed, as well as naming who you want to handle your affairs for you after you pass away.

There are special advantages to using a charitable remainder unitrust as part of your estate plan.

- Because of the tax advantages, your loved ones receive a potentially larger inheritance.
- Since the trust is invested, it can grow and provide more to your loved ones over time.
- After the trust pays income to your beneficiaries, the remainder goes to support our cause.

**This plan can help you provide for your loved ones, reduce your taxes and build a lasting legacy.**

## May We Help You?

If you have any questions about this plan, please contact us. We would be delighted to talk with you and answer any questions that you have regarding how this trust can benefit you, your family and our work. ■