



PLANNED GIVING

Charitable Remainder Annuity Trust

***Help ensure the future of the Jewish community.
Receive income for life.***

A Charitable Remainder Annuity Trust allows you to do both.

AT-A-GLANCE

- Guarantees a reliable, steady stream of income for your lifetime
- 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 make a significant contribution to the Jewish community

A Charitable Remainder Annuity Trust (CRAT) provides a way to avoid fluctuations in interest rates and ensures that you or someone you designate receives a fixed income payment for your life or a term of years. You may make a gift of cash, appreciated securities or property to set up the trust, either during your lifetime or through your estate plan.

A CRAT agreement locks in a long-term annuity rate, allowing you or your designated beneficiaries to receive regular annuity payments for a life or joint lives, or for a term of up to 20 years. The rate chosen depends on prevailing market conditions.

Ultimately, what remains in the trust after the annuity ceases to be paid is contributed to your Jewish community, where it is used to meet critical needs or to support an organization or cause which you can specify.

If you decide to use appreciated assets to fund a CRAT, no capital gains taxes are due when the securities are contributed. Instead, a portion of your income from the annuity will be subject to capital gains tax, which will be paid over your anticipated lifetime. In addition, you will be entitled to a current income tax charitable deduction based on the present value of the anticipated remainder — which will ultimately be paid to the Jewish community.

TYPICAL DONOR PROFILE

- Would like to secure a guaranteed stream of income for himself or his designated beneficiaries
- Wants fixed income based on the original value of the transferred assets
- Does not want to make additional gifts to the trust
- Would like the flexibility of naming multiple beneficiaries to a trust

(Please turn this page over for the other important facts about CRATs)

OTHER IMPORTANT FACTS ABOUT CHARITABLE REMAINDER ANNUITY TRUSTS

In creating a Charitable Remainder Annuity Trust, you may have control over any or all of the following trust provisions:

- Choosing a trustee
- Designating the income beneficiaries (who receives the annual income payment)
- Naming the beneficiary or beneficiaries of the charitable remainder
- Deciding on a payout rate for the trust
- Determining the frequency of the trust payments
- Selecting the terms of the trust

Charitable Remainder Annuity Trusts use a 4-tier system in determining the taxation of trust income to income beneficiaries. The income to the income beneficiary from the trust is taxed based on the historical pattern of how income in the trust was earned. Income distributions are taxed in the following order:

1. Ordinary income
2. Capital gain income
3. Tax-Free income
4. Return of principal (corpus)

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