Charitable Remainder Trusts

Do you want to receive income for your lifetime or for a specific number of years? Would you like your remaining dollars to benefit our community? Do you want to reduce your estate tax liability? Would you like an alternative to paying capital gains tax on appreciating assets? If you answered “yes” to these questions, then a charitable remainder trust could be right for you.

What is a charitable remainder trust?
Charitable Remainder Trusts (CRTs) provide for the eventual transfer of property to charity after paying income to one or more non-charitable beneficiaries.

- A charitable remainder annuity trust (CRAT) makes fixed income payments to the beneficiary.
- A charitable remainder unitrust (CRUT) provides a variable payout equal to a percentage of the trust’s market value as determined at the end of each year.
- Charitable remainder trusts are often appealing to donors with appreciated assets producing little or no income, such as real estate or securities. This is because the assets can be sold without capital gains tax and invested to provide a higher income stream.

What are the benefits of a charitable remainder trust?

- A charitable income tax deduction for the present value of the remainder gift to charity
- No capital gains due on the sale of appreciated assets within the trust
- The opportunity for increased income
- Reduced estate tax liability
- Asset diversification and professional trust management
- The opportunity to make a sizable gift to one or more charities

Minimum contribution
You may establish a charitable remainder trust at any amount with a trustee of your choosing. The minimum contribution for the Community Foundation for Greater Atlanta to serve as trustee is $250,000. When we serve as trustee, the Community Foundation must be named the sole charitable beneficiary at the termination of the trust.

(continued)
Summary of Benefits*

- Donors make a major gift to the Community Foundation for the charitable purpose they specify.
- Donors receive a 5% annual payout from the trust for both of their lives. The growth stock used to fund the trust did not pay any dividend.
- Donors avoid capital gains on the sale of the assets by the trust (saving $25,000 in federal capital gains tax, assuming a capital gains tax of 20%).
- Donors receive a federal income tax deduction of $96,434 (saving over $33,000 in income tax, assuming a marginal income tax rate of 35%).
- Trust assets are invested by professional managers under the direction of the Community Foundation.

*This information is general in nature, incorporating certain investment assumptions and the IRS discount rate in effect as of October 2017. Please verify with your tax advisors any numbers pertaining to your particular situation.

About us
Since 1951, the Community Foundation for Greater Atlanta has been a trusted philanthropic resource for our 23-county metro Atlanta region. We lead and inspire philanthropy to increase the vitality of our region and the well-being of all residents.

Interested in establishing a charitable remainder trust?
For more information, please visit cforgreateratlanta.org or call 404.688.5525 and ask to speak with a member of our philanthropy team. The Community Foundation is happy to work with the attorney of your choice who will draft your trust document.