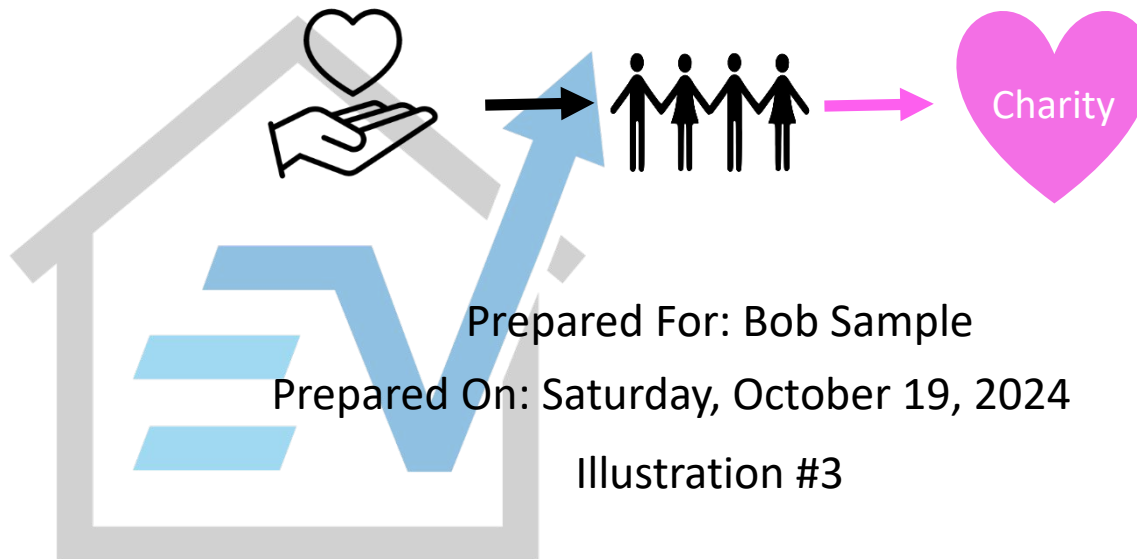


CRUT Calculator

Charitable Remainder Unitrust

Charitable Remainder Unitrust



Prepared For: Bob Sample

Prepared On: Saturday, October 19, 2024

Illustration #3

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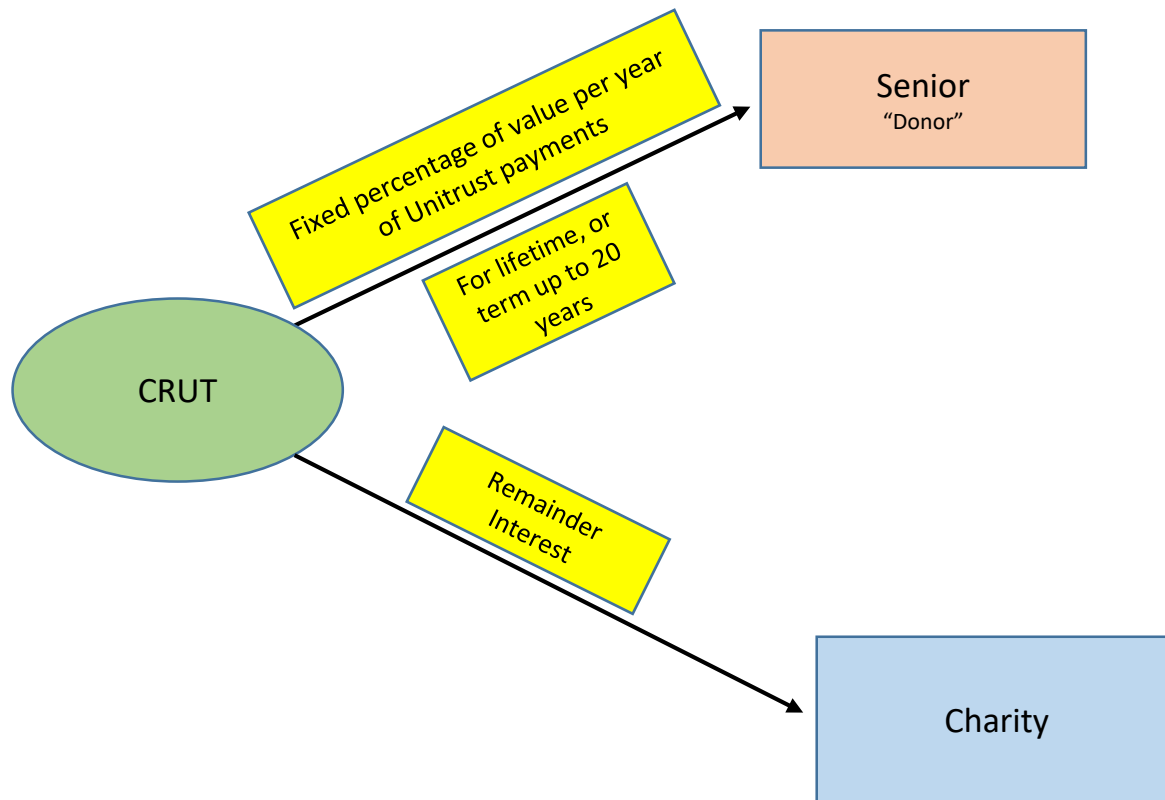
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Executive Summary

- This is an illustration of a Charitable Remainder UniTrust (CRUT) for a term of years (maximum number of years is 20 or life), in this case **a term of 18 years**, which involves the lifetime creation of a CRUT with **\$20,000,000**. The CRUT pays to the grantor(s) or others **5.20%** of the value of the CRUT each year, determined **annually**.
- The CRUT is expressly provided for in the Internal Revenue Code and permits a grantor to effectively make a gift of a remainder interest in property while retaining an annual payment right in the form of at least an annual (can be quarterly, monthly, biannual, or annual) payment based upon a fixed percentage of the fair market value of the assets placed in trust, determined annually. The grantor will usually receive an income tax charitable contribution deduction on inception.

Anatomy of a CRUT



Important Characteristics of CRATs, CRUTs, and NIMCRUTs

	CRAT	CRUT	Flip-NIMCRUT
Minimum Annual Payment	Yes 	No 	No 
Pays Greater Amounts if Values Increase	No 	Yes 	Yes 
Annual Valuations Required <small>*If there is an independent Trustee, real estate (and other non-marketable assets) may be valued by the Trustee instead of by a current qualified appraisal.</small>	No 	Yes 	Yes 
Payments Can Be Deferred (NIMCRUT and Flip-NIMCRUT)	No 	No 	Yes 
"5% Probability of Exhaustion Test" Applies	Yes 	Yes 	No 
10% Minimum Remainder Requirement	Yes 	Yes 	Yes 

Assumptions Overview

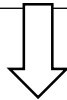
Transfer Date:	10/19/2024
Highest Available § 7520 Rate:	5.20%
Number of Lives:	One
Grantor Age (Nearest Birthday):	70
2nd Life Age (Nearest Birthday):	N/A
Table Life Expectancy:	15.4
Term of CRUT:	18 years
Grantor Yr of Death:	85
2nd Life Yr of Death:	N/A
Mortality Table:	2010 CM
Payout Rate:	5.20%
Annual Growth Rate:	0.00%
Income Tax Rate:	37.00%

Payout Schedule:	Annual
Number of Months before First Payment:	12
Trust Value:	\$20,000,000
Use FLIP NIMCRUT?:	False
NIMCRUT # Of Deferral Years:	N/A
Percent of Payment Deferred:	N/A
Use Explosive Asset?:	N/A
Day 1 Value (Included in Trust Value above):	\$20,000,000
Years Until Sale:	N/A
Value On Sale:	N/A
Time Value of Money, Illustration, Rate:	5.80%
Remainder Factor Calculation Method:	Interpolation

CRUT – Calculation Results

Inception

CRUT
CRUT Value \$20,000,000
Annual Growth Rate 0.00%
Payout Rate 5.20% \$208,000



Year 18

CRUT
CRUT Value \$7,653,195
Annual Growth Rate 0.00%



After ___ years

CRUT
CRUT Value \$475,281

Year 1

John has put
\$20,000,000
into the
CRUT.

John receives an income tax
deduction of \$8,031,640 -
remainder interest actuarially
required to equal 10% of day
one value.

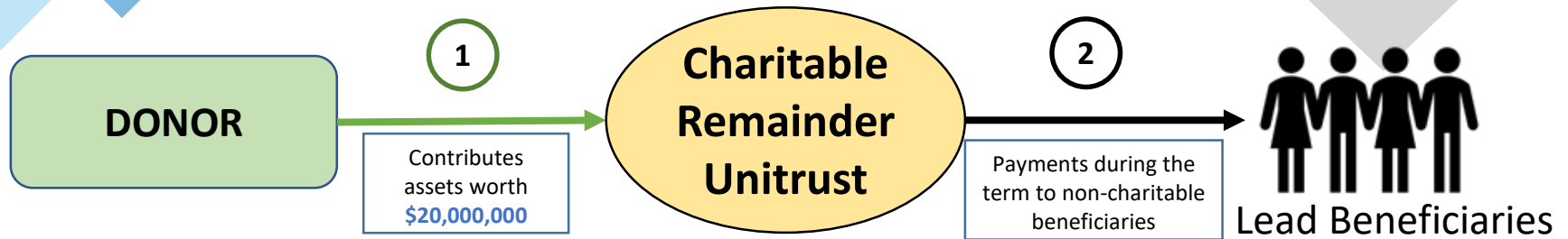
Years 1 to 20

The **CRUT**
makes Annual
payments to
John or his
family.

Year 20

The **CRUT**
pays
\$7,653,195 to
charity

Set up for an Inter Vivos CRUT



Donor transfers **\$20,000,000** assets to CRUT and receives income tax charitable deduction of approximately **\$8,031,640**.

Assets may include:

- Cash
- Stocks & Bonds
- Real Estate

Not suitable for:

- Property subject to debt (unless the debt or the Grantor's liability for the debt is removed before the transfer)

Note regarding valuations: If unmarketable assets are transferred, the annual valuation must be performed by either an independent trustee or a qualified appraisal from a qualified appraiser. Therefore, if unmarketable assets are transferred to the trust it is likely advisable to select an independent trustee to avoid the annual costs associated with hiring an appraiser.

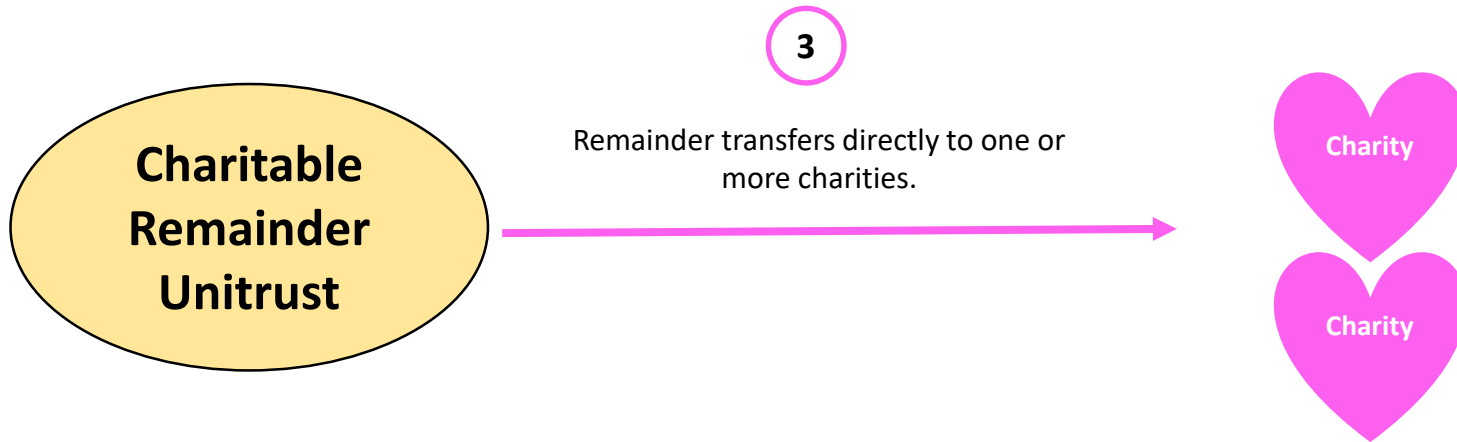
Trust makes payments of a **5.20%** fixed percentage of the net fair market value of the property under the trust, valued and paid **Annual**, to the Donor or other non-charitable beneficiaries for Donor's lifetime or a term of **18 years**.

The total payments to the Donor or other non-charitable beneficiaries are projected to be **\$12,346,805**.

The CRUT is a tax-exempt entity and does not pay tax on the gain from the sale of an appreciated asset. But be aware that CRUTs are subject to the 100% tax on unrelated business taxable income.

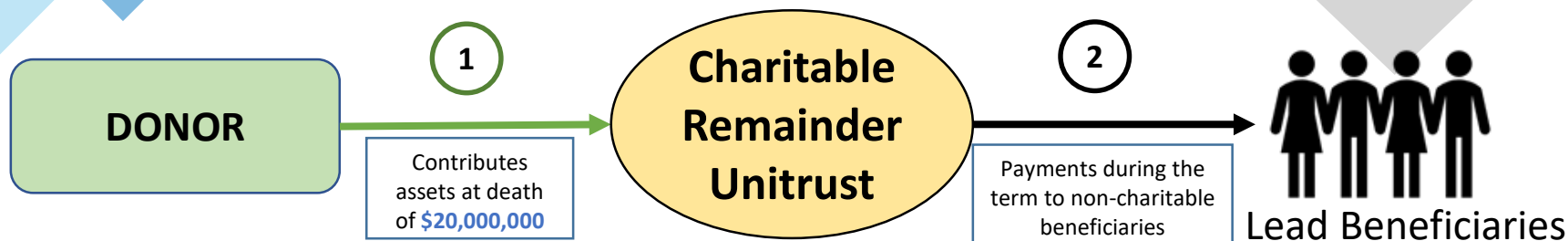
Beneficiaries are taxed on distributions from the trust. The income from the trust is considered to come out "worst-first" with distributions, meaning from the highest tax-rate class first.

After the CRUT Term Ends



The Remainder Value is projected to be **\$7,653,195** which is transferred directly to one or more charities.

Pre-plan to Create a Testamentary CRUT



CRUT is funded after death of Grantor with specific or residual estate assets worth **\$20,000,000**. The Estate of Donor receives an estate tax charitable deduction of approximately **\$8,031,640**.

Assets may include:

- Cash
- Stocks & Bonds
- Real Estate

Not suitable for:

- Property subject to debt (unless the debt or the Estate's liability for the debt is removed before the transfer)

Note regarding valuations: If unmarketable assets are transferred, the annual valuation must be performed by either an independent trustee or a qualified appraisal from a qualified appraiser.

Therefore, if unmarketable assets are transferred to the trust it is likely advisable to select an independent trustee to avoid the annual costs associated with hiring an appraiser.

Trust makes payments of a **5.20%** fixed percentage of the net fair market value of the property under the trust, valued and paid **Annual**, to non-charitable beneficiaries for a term of **18 years**.

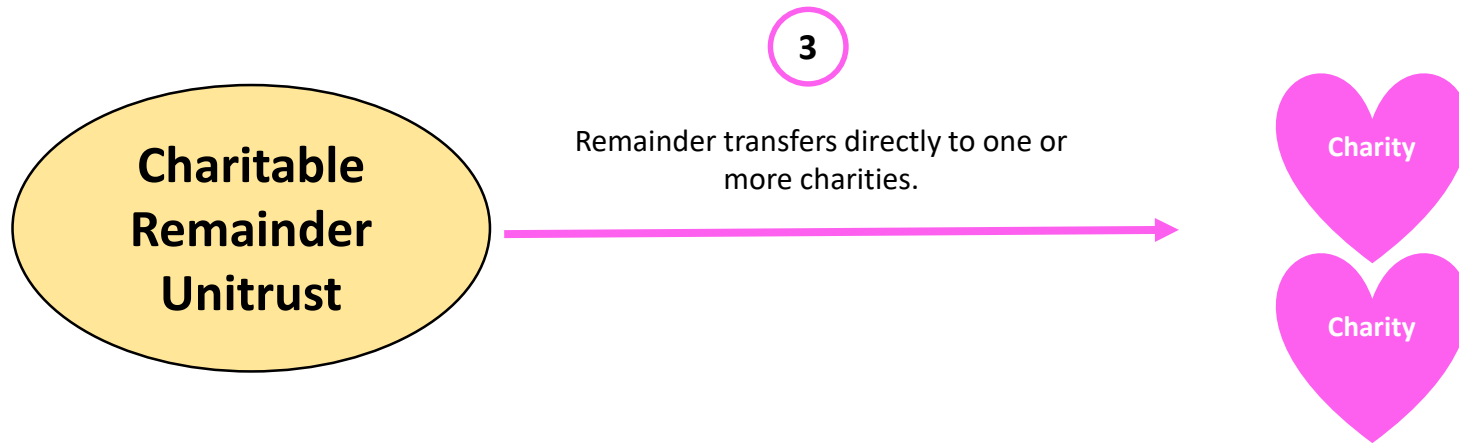
The total payments to non-charitable beneficiaries are projected to be **\$12,346,805**.

The CRUT is a tax-exempt entity and does not pay tax on the gain from the sale of an appreciated asset. But be aware that CRUTs are subject to the 100% tax on unrelated business taxable income.

Beneficiaries are taxed on distributions from the trust. The income from the trust is considered to come out "worst-first" with distributions, meaning from the highest tax-rate class first.

The remaining assets after the payment term are transferred to charity or charities.

After the CRUT Term Ends



The Remainder Value is projected to be **\$7,653,195** which is transferred directly to one or more charities.

CRUT Summary Table

CRUT #	Term of CRUT	Number of Lives	Grantor Age	Survivor Age
CRUT # 3	18 years	One	70	N/A

Contribution Amount	Payout Rate	Payout Schedule	Months Before First Payment	7520 Rate
\$20,000,000	5.20%	Annual	12	5.20%

IRS Table Life Expectancy	Year of Death	1 st Year Payment	Total Payments	Illustrated End Value	Year 1 Income Tax Savings	Growth Rate	Type of CRUT	YR of FLIP
15.4	15	\$208,000	\$12,346,805	\$7,653,195	\$2,971,707	0.00%	CRUT	N/A

Table F Adjustment Factor	Adjusted Payout Rate (Table F)	Income Factor	Remainder Factor	7520 Reportable Charitable Remainder	7520 Reportable Value of Unitrust Interest
0.950570	4.943	0.598418	0.401582	\$8,031,640	\$11,968,360

Actual Life Expectancy	Actual Present Value Discount Rate	Actual Present Value of Annuity Payments	Actual Present Value of Remainder
19	5.80%	\$7,785,258	\$2,621,894

CRUT Details Table

Show Every 1 Year(s) ☒ Year Of Death ☐ End Of Term ☐ Flip NIMCRUT Year

 Export to Excel

Year	Year #	Grantor Age	Survivor Age	Probability Survival To Year	Probability Of Death Each Year	Beginning Value	Growth	Payout Rate	Annual Payment Amount	Actual Payment Made	Make-Up Payment Owed	Make-Up Payment Made	Cumulative Make-Up Owed	End Value	PV of Annuity Payments	PV of Remainder
2025	1	71	0	98.04%	2.09%	\$20,000,000.00	\$0.00	5.20%	\$208,000.00	\$208,000.00	\$0.00	\$0.00	\$0.00	\$19,792,000.00	\$196,597.35	\$18,706,994.33
2026	2	72	0	95.95%	2.24%	\$19,792,000.00	\$0.00	5.20%	\$1,029,184.00	\$1,029,184.00	\$0.00	\$0.00	\$0.00	\$18,762,816.00	\$1,116,033.75	\$16,762,032.73
2027	3	73	0	93.70%	2.40%	\$18,762,816.00	\$0.00	5.20%	\$975,666.43	\$975,666.43	\$0.00	\$0.00	\$0.00	\$17,787,149.57	\$1,939,876.57	\$15,019,288.30
2028	4	74	0	91.30%	2.57%	\$17,787,149.57	\$0.00	5.20%	\$924,931.78	\$924,931.78	\$0.00	\$0.00	\$0.00	\$16,862,217.79	\$2,678,064.65	\$13,457,736.59
2029	5	75	0	88.73%	2.73%	\$16,862,217.79	\$0.00	5.20%	\$876,835.33	\$876,835.33	\$0.00	\$0.00	\$0.00	\$15,985,382.47	\$3,339,503.50	\$12,058,539.02
2030	6	76	0	86.00%	2.91%	\$15,985,382.47	\$0.00	5.20%	\$831,239.89	\$831,239.89	\$0.00	\$0.00	\$0.00	\$15,154,142.58	\$3,932,172.71	\$10,804,815.68
2031	7	77	0	83.09%	3.09%	\$15,154,142.58	\$0.00	5.20%	\$788,015.41	\$788,015.41	\$0.00	\$0.00	\$0.00	\$14,366,127.16	\$4,463,222.26	\$9,681,441.65
2032	8	78	0	80.00%	3.30%	\$14,366,127.16	\$0.00	5.20%	\$747,038.61	\$747,038.61	\$0.00	\$0.00	\$0.00	\$13,619,088.55	\$4,939,058.71	\$8,674,864.54
2033	9	79	0	76.70%	3.48%	\$13,619,088.55	\$0.00	5.20%	\$708,192.60	\$708,192.60	\$0.00	\$0.00	\$0.00	\$12,910,895.95	\$5,365,422.56	\$7,772,941.01
2034	10	80	0	73.22%	3.68%	\$12,910,895.95	\$0.00	5.20%	\$671,366.59	\$671,366.59	\$0.00	\$0.00	\$0.00	\$12,239,529.36	\$5,747,457.47	\$6,964,790.24
2035	11	81	0	69.54%	3.86%	\$12,239,529.36	\$0.00	5.20%	\$636,455.53	\$636,455.53	\$0.00	\$0.00	\$0.00	\$11,603,073.83	\$6,089,772.30	\$6,240,662.71
2036	12	82	0	65.68%	4.03%	\$11,603,073.83	\$0.00	5.20%	\$603,359.84	\$603,359.84	\$0.00	\$0.00	\$0.00	\$10,999,713.99	\$6,396,496.74	\$5,591,822.54
2037	13	83	0	61.65%	4.17%	\$10,999,713.99	\$0.00	5.20%	\$571,985.13	\$571,985.13	\$0.00	\$0.00	\$0.00	\$10,427,728.86	\$6,671,331.12	\$5,010,442.13
2038	14	84	0	57.48%	4.37%	\$10,427,728.86	\$0.00	5.20%	\$542,241.90	\$542,241.90	\$0.00	\$0.00	\$0.00	\$9,885,486.96	\$6,917,591.04	\$4,489,507.69
2039	15	85	0	53.11%	4.50%	\$9,885,486.96	\$0.00	5.20%	\$514,045.32	\$514,045.32	\$0.00	\$0.00	\$0.00	\$9,371,441.64	\$7,138,247.37	\$4,022,734.68
2040	16	86	0	48.61%	4.59%	\$9,371,441.64	\$0.00	5.20%	\$487,314.97	\$487,314.97	\$0.00	\$0.00	\$0.00	\$8,884,126.68	\$7,335,962.12	\$3,604,491.94
2041	17	87	0	44.02%	4.63%	\$8,884,126.68	\$0.00	5.20%	\$461,974.59	\$461,974.59	\$0.00	\$0.00	\$0.00	\$8,422,152.09	\$7,513,120.51	\$3,229,733.80
2042	18	88	0	39.38%	4.61%	\$8,422,152.09	\$0.00	5.20%	\$437,951.91	\$437,951.91	\$0.00	\$0.00	\$0.00	\$7,984,200.18	\$7,671,859.79	\$2,893,939.17
2043	19	89	0	34.77%	4.52%	\$7,984,200.18	\$0.00	5.20%	\$331,005.25	\$331,005.25	\$0.00	\$0.00	\$0.00	\$7,653,194.93	\$7,785,258.26	\$2,621,893.75

Conclusion

Thank you!

Taking the time to learn about Charitable Remainder Unitrusts (CRUTs) is an important step to understanding your estate plan.

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[Planner Name] – [Planner Title]
[Planner's firm name]
[Planner email address]