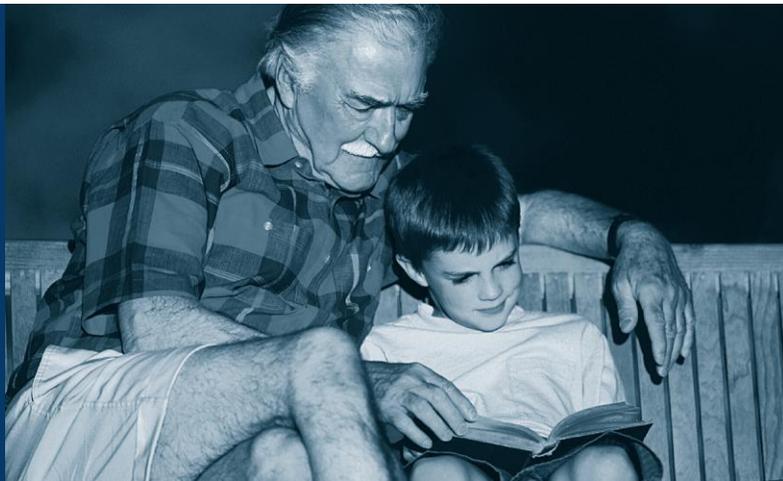


# Planning for the future – for you and your community



## CHARITABLE REMAINDER TRUST

**Giving through a Charitable Remainder Trust** allows you to receive income for the rest of your life and provide a gift that will benefit your community.

### How it works

- You transfer cash, appreciated stocks, real estate, or other assets into a trust and make your community foundation the irrevocable beneficiary
- The Charitable Remainder Trust allows you to arrange your gift today and receive an immediate tax receipt while enjoying the income, or use, of the gifted asset for your lifetime.
- Upon the beneficiary's death or after a defined period of years, the remaining assets in the trust transfer to the community foundation.
- You can establish a named endowment fund with the remaining assets in the trust.
- We handle all the administrative details after the fund is established, issuing grants to charities in the name of your fund.
- Earnings from your fund are used to make grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.
- You can adjust the goals of your fund to suit your interests over time and leave the language in your will unchanged.

*"The income I receive from the trust is more than what I was collecting in annual dividends. Plus I know that when I pass on, I've done something good."*

▪ **JAMES ASSAD**

### Types of Charitable Remainder Trusts

Charitable Remainder Trusts (CRT) can be established during the life (inter vivos) of the donor or through the will (testamentary). The donor may decide to establish a trust where the beneficiary may be changed (revocable) or make the decision permanent (irrevocable).

- If the donor establishes a trust that meets the following conditions a charitable receipt may be issued by the beneficiary charity:
  - Transfer is irrevocable
  - The property must be held by the charity at the time of transfer
  - Value of the residual interest is ascertainable
  - No encroachment on capital and any administrative fees are to be paid from income of the trust

The trust may allow any of the above and still provide a gift for the charity, however as the value of the gift is not certain or ascertainable it is not eligible for a donation receipt.

A Charitable Remainder Trust that is established during the life of the donor will not be subject to probate taxes.

## A Gift that Pays

*James Assad was retired and in his late seventies. The stocks he owned had high market values, but they paid limited dividends. In addition to increasing his personal income, James was interested in giving back to the community in which he had lived his entire life. James decided to transfer his securities to a Charitable Remainder Trust that eventually would create a fund with his local community foundation. "The income I receive from the trust is more than what I was collecting in annual dividends," says James. James also receives an immediate tax credit by making the community foundation the irrevocable beneficiary of the remainder.*

*"Plus," he says, "I know that when I pass on, I've done something good." In time, James' gift will create the Assad Family Unrestricted Fund to address ever-changing community needs.*