



WHAT ARE THE COSTS OF ADMINISTERING A CRUT?

Depending on who serves as trustee and handles the investment of the trust's assets, the CRUT may have to pay trustee fees and/or investment management fees. The trustee must file an information return for the trust each year, and must prepare a Schedule K-1 informing the beneficiary how to report the unitrust payments for income tax purposes. Usually there is no court supervision or associated costs involved during the beneficiary's life. Some states (for example, New York) require a court accounting to be filed after the interests of the non-charitable beneficiaries expire. There also are costs involved in establishing the trust, such as fees to prepare the trust agreement and gift tax return.