



WHAT IS A CHARITABLE REMAINDER UNITRUST (CRUT)

The Charitable Remainder Unitrust (“CRUT”) can be an effective means for diversifying highly appreciated assets while avoiding or postponing capital gains tax, increasing cash flow during your lifetime, obtaining a current income tax deduction and providing for your favorite charities upon your death. The concept is extremely simple: you transfer a highly appreciated asset to a trust, retaining the right to receive payments from the trust for your life. On your death, the charities you wish to benefit receive the assets remaining in the trust. The trust is included in your taxable estate, but qualifies for the estate tax charitable deduction.

The tax advantages of the CRUT come primarily from its tax-exempt status, which allows the trust to sell appreciated assets without paying any capital gains tax, and from the income tax deduction generated when you fund the trust.