



## WHAT PROVISIONS MAY BE INCLUDED IN THE CRUT?

The CRUT trust document may allow for the following:

- The trust would make distributions to you for life, and upon your death, the remaining trust property would be transferred to one or more U.S. charities.
- During the term of the CRUT, you would receive a set percentage (at least 5%, but not more than 50%) of the fair market value of the trust's assets, as redetermined each year (the "unitrust amount"). The unitrust amount must be paid in accordance with the terms of the trust, that is, in monthly, quarterly or semi-annual installments, or annually. The CRUT may not make any other distributions to you.
- When you receive the unitrust amount, it will be taxable to you under the Four Tier system applicable to CRUTs, which treats the unitrust amount as paid first from the trust's ordinary taxable income (from the current year and any undistributed ordinary taxable income from prior years), next from the trust's net capital gains (current and prior years), and then from the trust's tax-exempt income. If the amount distributed to you exceeds all the trust's current and previously undistributed income and gains, the excess will be a tax-free return of principal.
- You can be the sole Trustee of your CRUT. If your CRUT holds assets that are difficult to value (restricted stock, closely-held stock, real estate, partnership interests), you must either appoint an Independent co-Trustee to value those assets each year or obtain a qualified appraisal of the hard-to-value assets each year.