



WHO CAN BE THE BENEFICIARY OF THE CRUT?

Any individual can be a lifetime beneficiary of a CRUT, as long as the value of the charitable remainder interest in the CRUT is at least 10% of the value of the assets transferred to the trust.

Any individual, class of individuals (whether or not then living) or any entity (trust, corporation) can be the beneficiary of a CRUT for a term of up to 20 years.

CRUTs that are funded during the donor's life generally benefit the donor and/or the donor's spouse.

CRUTs that are funded upon the donor's death often benefit the donor's spouse or children.

If there are multiple beneficiaries, their interests in the CRUT may be successive interests or joint interests.

If a CRUT benefits both the spouse and other family members, the spouse's interest will not qualify for the marital deduction for gift or estate tax purposes. In such cases, it may be preferable to create a marital trust for the spouse, followed by a CRUT for the children, securing a marital deduction for funding the marital trust, and delaying and reducing the transfer tax to be paid at the spouse's death for the children's interest in the CRUT.