

Charitable Remainder Trust



This product is for people who:

- Want to convert highly appreciated assets into income without loss to capital gains taxes.
- Need to diversify investments without loss to capital gains taxes.

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Overview

A charitable remainder trust (CRT) allows you or your beneficiaries to receive income from an asset, knowing that whatever remains will benefit one or more nonprofits of your choice.

The trust provides you and/or beneficiaries you select with income. You can choose a fixed income for your lifetime or a term of years, or a variable income that changes annually with the value of the investments in your trust.

At the end of the trust term all remaining assets are distributed to a Vermont Community Foundation fund.

The Community Foundation offers professional trust management, opportunities for diversification without loss to capital gains taxes, the prospect of tax-favored income, and a charitable deduction for the remainder value of the trust.

How a charitable remainder trust works

- You contact the Vermont Community Foundation to discuss your philanthropic interests.
- We work with you and your attorney to draw up a qualified trust document.
- You transfer assets to your trustee of the CRT. In many cases, the Vermont Community Foundation is the trustee.
- You receive an immediate tax deduction for the charitable portion of your gift.
- The trustee makes regular income payments to the beneficiary you designate.
- Upon the death of the beneficiary, the remaining assets in your trust are transferred into a fund at the Vermont Community Foundation.