

Charitable remainder annuity trust (CRAT)

A CRAT is a trust that will pay the donor (and one or more other named beneficiaries, if desired) a specified annuity income either for life or a period of time not to exceed 20 years. The amount of the annuity is a fixed amount chosen by the donor at the time the trust is established and is paid at least annually. The annual payments cannot be less than 5 percent of the initial fair market value of the trust.

Please consult your tax specialist or an attorney on the above information.