

Charitable remainder unitrust (CRUT)

A CRUT has many of the same attributes as a CRAT, but with more flexibility and planning opportunities. The primary difference is that the payout is variable from year to year. The CRUT pays a fixed percentage (not less than 5 percent) of the market value of the trust assets as determined annually. While the percentage cannot be changed, the amount paid out will vary from year to year and may increase (or decrease) over time. Additional contributions can be made to a CRUT over time, and there are several income variations that can be used with creative planning possibilities, such as to save for retirement or to educate grandchildren in college.

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