

CHARITABLE REMAINDER TRUST

CREATE A JEWISH LEGACY

Provide for your family today. Provide for the Jewish community in the future. Leave a meaningful legacy by creating a charitable remainder trust.



Jewish Federation
OF MADISON

THE **STRENGTH** OF A PEOPLE.
THE **POWER** OF COMMUNITY.

www.JewishMadison.org
(608) 278-1808

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Obtain an income for life, which can grow as the funds invested in the trust grow.

For additional information, contact Lynn Kaplan, Financial Resource Development Director at (608) 442-4076. All inquiries are confidential.

This material is presented for informational purposes only and should not be construed as legal, tax or financial advice. When considering gift-planning strategies, you should always consult with your own legal and tax advisors.

What is it?

- A Charitable Remainder Trust provides a way to obtain an income for life, which can grow as the funds invested in the trust grow. At the end of the term, the remainder of the trust goes to the Jewish Federation of Madison.

How does it work?

- You make an irrevocable transfer of assets such as cash, securities or real estate into a trust administered by the Federation or another trustee.
- You can make the transfer during your lifetime, which can provide a charitable income tax deduction, or through a gift in your trust or will, which can provide your estate a charitable estate tax deduction.
- Your charitable remainder trust can be designed as either an Annuity Trust, with a fixed annual payment to you, or as a Unitrust, in which case you are paid a fluctuating amount that is a fixed percentage of the annual value of the assets.
- At the end of the term of the trust or upon the last beneficiary's death, the trust's assets will be used to support the Federation and may be used to create an endowment in your name or in honor or in memory of a loved one, subject to the Federation's rules governing endowment funds.

What are the benefits?

An income stream for life for you, a spouse, a child or anyone you designate. (Charitable remainder trusts for anyone other than you or your spouse may have gift tax consequences.)

- An immediate tax deduction at the time the trust is created.
- Removal of assets from your estate, which may reduce estate taxes.
- The trust assets may be managed by the Federation as trustee.
- In some cases, a portion of your income payment may be tax-free, thereby increasing its after-tax value.
- If you use highly appreciated assets that you have owned for longer than 12 months to fund the charitable remainder trust, you may not incur capital gains tax on the transfer of those assets, and the capital gains tax you pay on the income you receive can be spread over a lifetime.
- You invest in the future of the Jewish community and become a role model for future generations.