

Charitable Remainder Trust

A charitable remainder trust (CRT) is a separately invested and managed charitable trust that pays a percentage or set amount of its principal, to you and/or other income beneficiaries you name for life or a term of years (up to a maximum of 20). You receive a charitable income tax deduction for a portion of the value of the assets you place in the trust. After the trust terminates, the balance is transferred to UT Health to be used as you designate. A trust provides the most flexibility of the life income gift options.

Is a CRT right for you?

A charitable remainder trust could be the right life income gift if you...

- *would like to make a significant gift to UT Health while retaining or increasing your income,*
- *hold appreciated property, such as securities, a closely-held business, real estate or partnership interests, and would like to avoid capital gains tax associated with a sale,*
- *want the opportunity for your income to grow over time, and,*
- *desire maximum flexibility in your gift, including choosing your payment percentage (5%-6% is typical), the person or entity who administers your gift and guide its investments, and the trustee.*

How does it work?

- *You irrevocably transfer cash, securities, or other property to fund the trust.*
- *You receive an income tax deduction and pay no capital gains tax on the transfer.*
- *The trust pays a percentage of its value each year to you and/or other beneficiaries you have named.*
- *When the trust ends, its remaining principal is transferred to UT Health San Antonio.*

What are the tax benefits?

- *You will receive a federal income tax deduction for a portion of your gift.*
- *You will avoid all upfront capital gains tax on any appreciated assets you transfer to the trust.*
- *You may reduce your estate tax liability by removing a large taxable asset from your estate.*

