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 reminder 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.