Hamilton

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CHARITABLE REMAINDER UNITRUST

A charitable remainder unitrust (CRT) is a separately invested and managed charitable trust that pays a percentage of its principal, re-valued annually, 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 Hamilton College to be used as you designate. A unitrust provides the most flexibility of the life income gift options.

Is a CRT right for you?

A charitable reminder unitrust could be the right life income gift if you...

- would like to make a significant gift to Hamilton 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 which could be Hamilton.

How does it work?

- You execute duplicate original trust agreements.
- Hamilton provides you and your attorney with a draft trust instrument.
- 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 Hamilton.

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 unitrust.
- You may reduce your estate tax liability by removing a large taxable asset from your estate.