

What is a Charitable Remainder Trust?

A Charitable Remainder Trust (CRT) is a trust arrangement between you and a trustee of your choosing. You transfer property but retain the right to receive income. At the end of the trust's term, the principal is distributed to the Jewish Community Foundation and used to establish a permanent fund in your name. It may also be added to a family donor advised fund or foundation.

There are two types of CRTs. The Charitable Remainder Annuity Trust (CRAT) provides a fixed payout while the Charitable Remainder Unitrust (CRUT) provides a variable payout. In both cases, you may receive an immediate income tax deduction and avoid capital gains tax on the transfer of appreciated assets while creating a legacy for future generations.

SINCE 1967, the Jewish Community Foundation has been at the forefront of charitable giving in San Diego, partnering with individuals and families to support the causes they care about and building a strong, vibrant community for now and in the future.

For current giving, donors can establish a donor advised fund or family foundation. For lasting charitable legacies for the community, the Foundation assists donors in creating endowments.

The Jewish Community Foundation distributes millions of dollars in grants each year to hundreds of organizations in the Jewish and general community, locally, nationally, in Israel and around the world.



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Save taxes and
receive income today

Support your
favorite charities in the future

Establish a
Charitable Remainder Trust



helen's story

Working with the Foundation and her attorney, Helen Gold, aged 65, created a Charitable Remainder Trust.

Helen funded the trust with appreciated stock valued at \$300,000 which she bought 20 years ago for \$60,000. She incurred no capital gains tax on the \$240,000 appreciation. In addition, Helen enjoyed a significant charitable income tax deduction.

Prior to the transfer to her CRT, dividends on Helen's stock were 2%. After the transfer, the stock was sold and reinvested. **Helen's first-year income from the CRT was \$18,000, compared to the prior \$6,000 in stock dividends.** Additionally, the value of Helen's trust after her lifetime will avoid estate taxes, and there will be no probate of the transfer from the trust to the Foundation.

Finally, the proceeds of the CRT will create an endowment fund at the Foundation. **The Helen Gold Endowment Fund** will provide annual grants to assist low-income families in Israel so that they may afford vital education and social services for their children.

Benefits of a Charitable Remainder Trust

- Flexibility
- Current income tax deduction
- May eliminate capital gains tax for appreciated assets
- Income enhancement
- Professional administration and management
- Reduce estate taxes

How Does the Process Work?

1. Consult with your financial advisor to decide if a CRT is the appropriate vehicle for your interests and overall financial plan. Issues to consider would include capital gains, income and estate taxes, and both current and future income needs.

2. Choose an attorney who understands CRTs and can prepare your estate documents and select a trustee.
3. Work with the Foundation to select the charitable beneficiary(ies) of your legacy.
4. Establish the trust and transfer the assets into the trust.
5. Receive income for the rest of your life and, depending on how the CRT is structured, for the lives of your spouse and/or other family members.

Throughout the process, the Foundation can assist you through personal meetings and working with your financial advisors to ensure that your overall estate plan achieves your philanthropic goals.