



## 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 Wesleyan University to be used as you designate. A unitrust provides the most flexibility of the life income gift options.

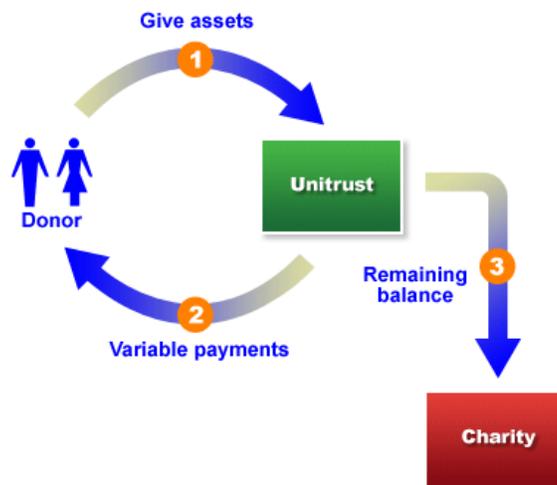
### *Is a CRT right for you?*

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

- would like to make a significant gift to Wesleyan 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 the person who administers your gift, guiding its investments, and choosing your payment percentage (5%-6% is typical).

### *How does it work?*

- Wesleyan 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.
- During its term, 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 Wesleyan.



### **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.

### ***I don't need the income right now, do I have other options?***

Yes! A "Retirement Unitrust" defers income payments until a future date when the income switch "flips" on. Until that pre-determined time, the trust pays net income only. If no net income is produced, the trust pays nothing. Once the "flip" event occurs, the trust converts to a standard unitrust that pays a defined percentage of the fair market value of the assets to the beneficiaries beginning at the next valuation date. This flexible feature allows the trust to defer income payments until the sale of an illiquid asset, such as real estate, or to build up principal value on a tax-deferred basis until you retire.



**Jack '57 and Nancy Braitmayer** made a substantial gift to Wesleyan by establishing a charitable remainder unitrust. This life income gift provides them with payments today, and crucial support of Wesleyan tomorrow.

*"Our first priority was to make a lasting gift to Wesleyan. Through the guidance of the Wesleyan Gift Planning office, we learned how funding a charitable remainder unitrust with the transfer of securities could be an ideal fit for our financial planning needs."*

*-Jack '57 & Nancy Braitmayer*

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By establishing a charitable remainder unitrust to benefit Wesleyan, we welcome you into the Olin Associates leadership society. Established in 1989, this society recognizes and honors generous alumni and friends who have made a commitment to the future of Wesleyan University through provisions in their wills, life income gifts, or other kinds of deferred gifts. Olin Associates help sustain the tradition of excellence in liberal arts education at Wesleyan.

Members receive an Olin Associates pin. The scallop shell on the pin is a symbolic link to the tradition of social service for which Wesleyan is well known.

