



**Making a  
Gift with a  
Charitable  
Remainder  
Trust**

Menorah Park

The R.H. Myers  
Apartments

Stone Gardens

Wiggins Place

**THE  
MENORAH PARK  
FOUNDATION**

**A Supporting Organization  
of Menorah Park Center  
for Senior Living**

# MAKING A GIFT WITH A CHARITABLE REMAINDER TRUST

*Since its beginnings in 1906, Menorah Park has been the recipient of thousands of contributions and each has been an important link in helping to insure that the work we do continues.*

*A Charitable Remainder Trust can be an ideal way for you to make a gift, receive income for life and minimize taxes.*

## **WHAT IS A CHARITABLE REMAINDER TRUST?**

A Charitable Remainder Trust (CRT) is an arrangement where a donor transfers cash, stocks, bonds, mutual fund shares, life insurance or real estate to a non-profit organization but receives the income generated from the assets. The transfer is irrevocable.

There are two types of CRT's; a CRT **Annuity Trust** and a CRT **Unitrust**.

A CRT Annuity Trust provides a **specific, pre-determined dollar amount** be paid to you, or your beneficiary, that will not fluctuate over time. The payout cannot be less than 5% of the assets transferred into the trust for a maximum of 20 years.

A CRT Unitrust provides a **variable payout** to you, or your beneficiary, and will fluctuate over time. The payout is a fixed percentage of the value of the trust's assets but cannot be less than 5% of the trust's assets. If the income from the trust is more than the payout, the excess is added to the trust's principal. As the principal in the trust grows, so will the payout. If, in any given year, the principal in the CRT decreases, your income from the trust for that year will also.

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Payments in either type of CRT can be made quarterly, semi-annually or annually for the life of one or more persons or for a set number of years. When the named persons are no longer living or at the end of the set number of years, the remainder in the trust goes to charity - in this case Menorah Park, Stone Gardens, The R.H. Myers Apartments or Wiggins Place.

## **Q. CAN THE REMAINDER OF THE TRUST GO TO MY FAMILY INSTEAD OF A CHARITY?**

Yes. The income from the CRT can be paid to you and then it can provide income for your spouse or another family member. At the time of the death of the second person, the remainder would go to Menorah Park, Stone Gardens, The R.H. Myers Apartments or Wiggins Place.

## **Q. WHICH TYPE OF CHARITABLE REMAINDER TRUST IS BETTER?**

Whether you set up a CRT Annuity Trust or Unitrust is up to you and your financial needs.

Some people like the security of having a fixed amount of income and choose the CRT Annuity Trust. Others, who don't need to know the fixed amount, may prefer a CRT Unitrust.

We suggest you discuss the advisability of a CRT with your attorney and/or tax planner.

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## WHAT ARE THE ADVANTAGES OF A CHARITABLE REMAINDER TRUST?

There are many benefits in setting up a CRT.

**First, you will be helping to ensure Menorah Park's future.**

At the time your CRT is set up, you can determine how the money left in the trust will be used by Menorah Park. At the same time, your name will be added to Menorah Park's BUILDERS OF OUR FUTURE wall along with hundreds of other people who want to secure Menorah Park's future.

**Secondly, you, and perhaps a beneficiary, will receive regular payments from your trust.**

**Thirdly, at the time you set up your CRT, you will receive a tax deduction** for the "present value" of the remainder interest which will come to Menorah Park. In addition, you can divert the income to a member of your family who is in a lower tax bracket.

If you fund your CRT with securities whose dividends are small, your **income will increase.**

**Lastly, you can avoid capital gains taxes** on any appreciated assets you give to the trust. In fact, with careful planning, a CRT can save you thousands of dollars in estate tax as well.

Also remember that the CRT itself is completely tax exempt.

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## **Q.** HOW IS THE INCOME TAX DEDUCTION ON A CHARITABLE REMAINDER TRUST DETERMINED?

The type of CRT you choose will determine how your tax deduction is figured. You will receive an income tax deduction and avoid capital gains tax if you transfer assets that have appreciated, such as stock, art or property.

The exact amount of the deduction will depend on the value of the gift to the trust, the amount payable each year to you or your beneficiary, and the length of time the payments will continue. The larger the payout to you and your beneficiary, the longer the payout is made, and the smaller the deduction will be. Conversely, if the payout is smaller and for a shorter time period, the deduction will be larger.

Remember, the deduction allowable in one calendar year for gifts to charity is about 50% of your income. Any excess deduction can be used in future tax years.

## **Q.** CAN I DETERMINE HOW THE REMAINDER WILL BE SPENT?

Definitely. We encourage our donors to let us know if they have included Menorah Park in their Charitable Remainder Trust, so together we can decide how they want us to use the remainder.

## **Q. HOW WILL MY GIFT BE ACKNOWLEDGED?**

All planned gifts in excess of \$5,000 are acknowledged at the time we are advised that Menorah Park is included in an estate plan. The donor's name will be inscribed on our BUILDERS OF OUR FUTURE wall in advance of receiving the gift. This beautifully designed, hand painted, tile wall will provide a lasting legacy and let all of our residents and visitors know how important Menorah Park and the work we do was to you.

## **Q. CAN I SET UP A CRT IN MY WILL?**

Yes. You can set up a CRT in your will and provide an income for one or more of your survivors.

An illustration tailored to your particular circumstances can be obtained by contacting Barbara Gross at the Menorah Park Foundation, 216-595-7324



***All contributions to Menorah Park, The R.H. Myers Apartments, Stone Gardens or Wiggins Place are tax deductible.***

The Menorah Park Foundation  
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*This brochure was made possible by generous donations to The Menorah Park Foundation.*