

## Charitable Remainder Trusts

### *Gifts that Pay You an Income*

Charitable remainder trusts allow you to make a gift to St. Michael Parish School while providing you and your spouse with an income for life (or any period you specify, up to 20 years). Your funds are professionally invested. And when the trust ends, the full amount is distributed to St. Michael Parish School as you have chosen.

You can receive an income tax deduction when the trust is created. The size of the deduction depends on your age, the payments you'll receive, and other factors. This approach offers an excellent way to supplement your retirement income, or to increase the income from low-yield assets.

**CHARITABLE REMAINDER ANNUITY TRUSTS** pay you a fixed income. You must determine the income percentage (must be at least 5 percent of the initial value of the trust, and will be affected by the size of the trust and type of assets) and receive that amount annually for the period of time you have chosen.

**CHARITABLE REMAINDER UNITRUSTS** are similar to annuity trusts, but the income they pay varies annually with the value of the assets in the trust. As with the annuity trust, you determine the income percentage (must be at least 5 percent) when you create the trust. Each year, you or your spouse will receive that percentage of the current value of the trust assets. If the value of the trust increases, you'll receive more income; if it decreases, you'll receive less.

An advantage of unitrusts is that you can make later additions to the trust amount and receive an income tax deduction for a portion of those contributions.

*St. Michael Parish does not provide advice on tax or legal matters. Because state and federal laws govern many types of planned giving, you should obtain the services of an attorney, accountant or other professional tax and estate advisor.*