

Charitable Remainder Annuity Trust - Term Certain

Prepared for: Donor name

A. Input Assumptions

| | |
|--|------------------------|
| Date of transfer | <u>August 11, 2020</u> |
| Fair market value of property transferred | <u>\$ 100,000.00</u> |
| The term income interest of the trust will last | <u>20</u> years |
| Annual annuity rate | <u>5</u> % |
| Payment frequency | <u>Quarterly</u> |
| Is payment at beginning or end of payment period | <u>End</u> |
| IRC Sec. 7520(a) election to use 7/2020 discount rate of | <u>0.6%</u> |
| The mortality table is based on the census taken in | <u>2000</u> |

B. Calculation of Present Value of Remainder Interest (for Term Certain)

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|---|--------------|
| 1. Fair market value of property transferred | \$100,000.00 |
| 2. Annual annuity rate | 5% |
| 3. Annuity amount payable on an annual basis | \$5,000.00 |
| 4. Factor for present worth of an annuity (based on Table S) | 18.7935 |
| 5. Line 3 annuity amount times Line 4 factor | \$93,967.50 |
| 6. Adjustment factor for payment frequency (from Table K) | 1.0022 |
| 7. Adjusted annuity value (Line 5 * Line 6) | \$94,174.23 |
| 8. Amount of first annuity payment if payment is made at beginning of period for a non-term annuity trust (otherwise 0) | \$0.00 |
| 9. Present value of annuity interest (Line 7 + Line 8) | \$94,174.23 |
| 10. Minimum value of annuity interest (lesser of Line 1 and Line 9) | \$94,174.23 |
| 11. Present value of remainder interest = the tax deduction (Line 1 - Line 10) | \$5,825.77 |

C. Calculation of Tax Deduction for Charitable Remainder Annuity Trusts

| | |
|---|--------------|
| Fair market value of property transferred | \$100,000.00 |
| Present value of remainder interest in annuity trust factor as a percent | 5.83% |
| Present value of remainder interest = the tax deduction (Line 1 * Line 2) | \$5,825.77 |
| 10% remainder interest test | Failed |
| 5% probability test | N/A |

NOTE: This calculation is provided for educational purposes only. The type of assets transferred, the actual date of the gift, and other factors may have a material effect on the amount or use of your deduction. You are advised to seek the advice of your tax advisors before implementing a gift of this type.

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