

# Non-Grantor Charitable Lead Annuity Trust - Term Certain

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Prepared for: Donor name

## A. Input Assumptions

Date of transfer	<u>July 18, 2019</u>
Fair market value of property transferred	\$ <u>1,000,000.00</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>
The discount rate (effective 7/2019) is	<u>2.6%</u>
The mortality table is based on the census taken in	<u>2000</u>

## B. Calculation of Gift and Estate Tax Deduction for Non-Grantor Trust

1. Fair market value of property transferred	\$1,000,000.00
2. Annual annuity rate	5%
3. Annuity amount payable on an annual basis	\$50,000.00
4. Factor for present worth of an annuity (based on Table B)	15.4429
5. Line 3 annuity amount times Line 4 factor	\$772,145.00
6. Adjustment factor for payment frequency (from Table K)	1.0097
7. Present value of annuity interest (Line 5 * Line 6)	\$779,634.81
8. Value of annuity interest (lesser of Line 1 and Line 7). The gift or estate tax deduction	\$779,634.81
9. Present value of remainder interest = the non deductible remainder (Line 1 - Line 10)	\$220,365.19

**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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Source URL (retrieved on **07/18/2019 - 13:21**): <https://ala.givingplan.net/non-grantor-charitable-lead-annuity-trust-term-certain>