

# Charitable Remainder Unitrust - Term Certain

Prepared for: Donor name

## A. Input Assumptions

Date of transfer	<u>October 15, 2008</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
Payout rate	<u>5</u> %
Payment frequency	<u>Quarterly</u>
Date of first payment:	December 31, 2008
The number of months from the valuation date and the first payout for the first full taxable year of the trust	3
IRC Sec. 7520(a) election to use 9/2008 discount rate of	4.2%
The mortality table is based on the census taken in	1990

## B. Calculation of Present Value of Remainder Interest Factor: (Interpolation of Table D Factor for Term Certain)

1. Factor from Table F based on the payment period, the number of months between the valuation date and the first payment date, and the discount rate	0.974679
2. Adjusted payout rate (Table F factor * payout rate)	4.87%
3. The nearest usable payout rate less than the Line 2 rate	4.8%
4. Line 2 minus line 3	0.07%
5. Line 4 divided by .20 percent	0.366975
6. Factor from Table D at the Line 3 rate	0.373886
7. Factor from Table D at the rate .20 percent higher than the line 3 rate	0.358486
8. Line 6 minus Line 7	0.0154
9. Line 8 times Line 5 (Interpolation adjustment)	0.005651
10. Present value of remainder interest factor (Line 6 - Line 9)	0.368235

## C. Calculation of Tax Deduction for Charitable Remainder Unitrust

Fair market value of property transferred	\$1,000,000.00
Present value of remainder interest in unitrust factor as a percent	36.82%
Present value of remainder interest = the tax deduction (Line 1 * Line 2)	\$368,235.00
10% remainder interest test	Passed

**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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