A Sammons Financial Company

Midland National® Life Insurance Company

CHARITABLE GIVING

Charitable Remainder Trust (CRT)

CONCEPT APPLIED:

A donor creates a CRT to provide income to a named beneficiary(ies) and a remainder interest to charity. When the trust is funded, the donor enjoys an itemized tax deduction for the present value of the anticipated remainder interest (subject to limitations).

HOW IT WORKS:

The donor transfers property to the trust and designates a beneficiary or beneficiaries to receive annual income payments. The trust distributes the remainder of trust assets to charity when the trust term ends.

CRATs:

- allow only one contribution
- pay out a fixed annual amount (a percentage of the trust's initial value)

CRUTs:

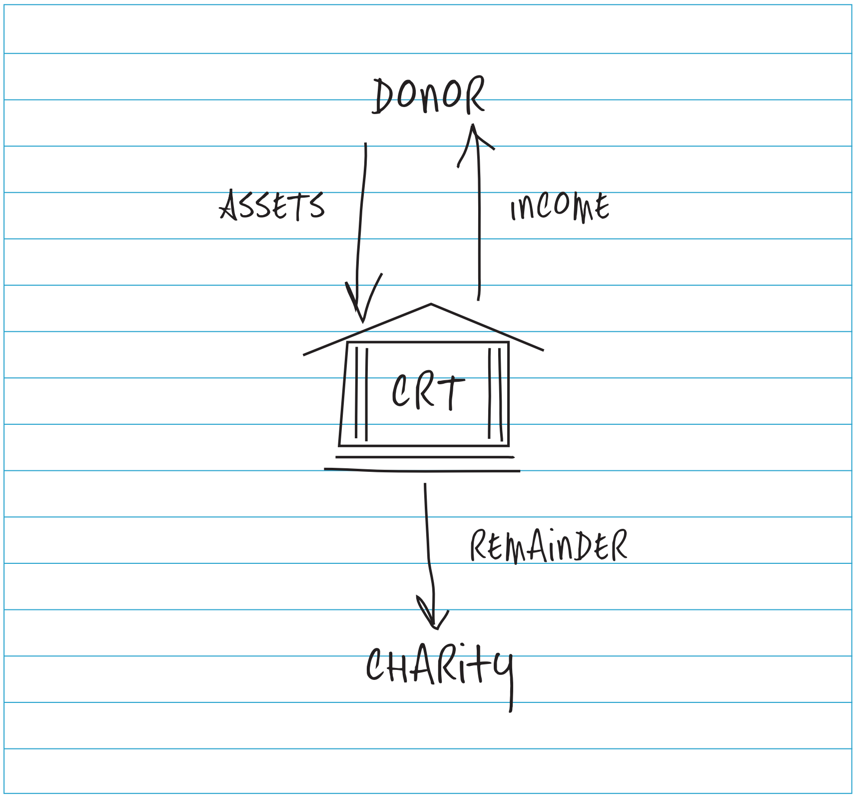
- allow multiple contributions
- pay out a variable annual amount (a percentage of the trust's annually revalued assets)

WHY IS IT USEFUL?

A CRT is a flexible planning tool that lets donors convert assets to an income stream (often used to supplement retirement income) while making a future gift to charity. A CRT can be funded with assets other than cash, such as stock, real estate, or a one-time qualified charitable distribution from an IRA (up to $55,000 in 2026).

50 WORDS OR LESS

A CRT is an irrevocable trust that pays a beneficiary or beneficiaries an income during the trust term, then at the end of the trust term, distributes the remainder to a qualified charity. A CRT may be an annuity trust (CRAT) or a unitrust (CRUT).



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