

## LIFE-INCOME GIFTS

# Charitable Remainder Unitrusts



## Make a gift today, receive income that can grow over your lifetime

A charitable remainder unitrust permits you to make a gift to St. Thomas and receive payments for you or a loved one for life or a term of years. Here's how it works:

- 1.** You transfer cash or appreciated stock or mutual funds to fund the unitrust.
- 2.** If funded with appreciated assets, the trust will sell the assets tax-free.
- 3.** The trust invests the funds to pay income to you or a loved one based on a life, term of up to 20 years, or a combination of both.
- 4.** You receive an income-tax deduction in the year you transfer assets to the trust.
- 5.** St. Thomas students benefit from what remains in the trust after all the trust payments have been made.

Because the charitable remainder unitrust payments are based on a percentage of the

trust assets, your income has the potential to increase over time with growth in the trust.

Many donors use this tool to enhance their retirement income or provide income, as well as fund a St. Thomas need that is meaningful to them, such as an endowed scholarship.

### Other types of charitable remainder trusts

Some donors prefer to receive payouts that are the same every year. A charitable remainder annuity trust pays a fixed amount whether the market goes up or down.

Donors looking to provide for their heirs can establish a testamentary charitable remainder unitrust. After the donor passes, the estate receives a tax deduction, heirs receive income each year, and the remainder helps further the education of future Tommies.

### Leverage your assets

By establishing a charitable remainder unitrust with appreciated stock or mutual funds, you can **bypass capital gains tax**. This tax benefit is in addition to the income-tax deduction you would take in the year you made the gift. The trust will sell your asset tax-free and reinvest in assets that produce income for your future.

### For more information, contact:

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See next page for examples.