“Thanks to gifts from UO supporters, I have the chance to make something of myself.”

Zach Taylor ’12
McNair Scholar and PathwayOregon Scholar
If you are considering a significant gift for the University of Oregon, a charitable remainder trust (CRT) may be right for you. This type of gift is a good fit when you want to reduce taxes and provide income for yourself or others.

**How does it work?**
You create a CRT by signing a trust document and then irrevocably transferring the asset of your choice into the trust.

The trust pays you and/or other beneficiaries annual income for life, or for a period of as much as twenty years. Afterward, the remaining balance will support the UO as you have specified in the trust document.

**Reduce your Taxes**
Because your gift will ultimately benefit the UO, you qualify for an income tax charitable deduction in the year you transfer the asset to the trust.

For a gift of cash, the deduction can offset as much as 50 percent of your adjusted gross income. For a gift of stock or real estate, the offset is as much as 30 percent. Any unused balance can be carried forward an additional five years.

**Capital gains**
No capital gains taxes are triggered by transferring appreciated assets into the trust.

**CRTs give you many options**
The most flexible type of CRT is the charitable remainder unitrust. You can use almost any asset to fund a unitrust, including cash, publicly traded stocks and bonds, closely held stock, partnership interests, and real estate.

You can start receiving income right away or structure the trust to delay the income to a future time, when it “flips” and begins making payments. Until then, the trust pays net income only. If the trust generates no income, it pays nothing.

This structure, called a flip charitable remainder unitrust, is commonly used for illiquid assets such as real estate. Your financial and legal advisors will be able to recommend the best type of CRT for your situation.

“Our CRT helps our estate plan and, most important, it will provide the opportunity for a college education to many deserving students.”

Gloria and Roger Hunt '66, MBA '72
Gift example

Ted and Marie, both sixty-five, established a charitable remainder unitrust with $100,000 of appreciated stock, originally purchased for $25,000. In the first year, the unitrust paid them $5,000 (5 percent of the trust’s original value).

The trust will be revalued every January. It will pay the donors 5 percent of that value for the year. As assets appreciate or depreciate in value, payments will increase or decrease proportionally. When the trust’s term ends, the remaining balance will support the university.

As you can see from the table below, Marie and Ted’s charitable remainder trust has the potential to provide substantial support for the university—larger, in fact, than the original gift amount.

Marie and Ted’s Charitable Remainder Unitrust*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gift</td>
<td>$100,000</td>
</tr>
<tr>
<td>Income tax deduction</td>
<td>$33,806</td>
</tr>
<tr>
<td>Income tax savings (35% bracket)**</td>
<td>$11,832</td>
</tr>
<tr>
<td>Capital gains tax savings (15% bracket)**</td>
<td>$11,250</td>
</tr>
<tr>
<td>Income (Year one)</td>
<td>$5,000</td>
</tr>
<tr>
<td>Projected benefit to the UO</td>
<td>$209,378</td>
</tr>
</tbody>
</table>

*Assumptions: The trust will earn an 8 percent average total return. The IRS discount rate is 2.4 percent.

**Based on estimated tax due if the donors sold the stock instead of putting it in the charitable remainder unitrust.

This example is for illustrative purposes only and is not intended as legal or tax advice. Consult your legal and tax advisors prior to making any decisions based on this example.
Frequently asked questions

How is my payout rate determined?
You select your payout rate subject to IRS limitations. A lower payout rate provides a larger tax deduction and the opportunity for income payments to grow over time. Common rates are between 5 and 7 percent.

How will I receive my income?
You can receive monthly, quarterly, or annual payments by check, or direct deposit to your bank account.

Who can I name as beneficiary?
Most often, donors name themselves as beneficiaries. You can also name children, grandchildren, or other loved ones—though doing so may have gift and estate tax implications.

Can I transfer additional funds to a CRT?
Yes, you may make additional contributions to a charitable remainder unitrust. This will increase the principle value of the trust, potentially increasing your income payments. You will also qualify for another tax deduction.

What will the UO do with my gift?
During the term of the trust, the UO Foundation will invest the gift assets and make payments to the beneficiaries. When the trust ends, the remaining assets will be distributed to the UO for the purpose you choose.

Who serves as trustee?
The UO Foundation can serve as trustee and manage the trust, provide an annual trust accounting, and prepare an annual trust tax return. Or, you may choose to serve as trustee and appoint your professional advisors to perform the various administrative tasks.

Your financial and legal advisors will be able to recommend the best type of CRT for your situation.

Thank you for considering a gift to the University of Oregon.

Contact us
The UO Office of Gift Planning is a resource for you and your advisors. Please tell us if you would like to learn more about how charitable remainder trusts can benefit you during your lifetime and help the university in the future.

541-346-1687
800-289-2354
giftplan@uoregon.edu
Visit us on the web at giftplan.uoregon.edu