Charitable Remainder Annuity Trust

A person may want to make a significant gift to the American College of Sports Medicine Foundation but not want to give up the income that the cash, securities, real property, or personal property produces. The charitable remainder annuity trust is a life income arrangement that can solve this problem and provide additional financial benefits.

How it Works:

- Donor transfers assets (usually highly appreciated property) directly to an annuity trust.
- A trust document, drafted according to IRS rules, creates the trust.
- Payments (5% or more of the value of the trust) are made to one or more beneficiaries for life, or for a term of years, or both.
- Income recipient(s) receives fixed income payments for life.
- Income payments are taxed according to IRS rules.
- Minimum gift size is usually at least $100,000.

Benefits:

- Donor has satisfaction of making a significant gift to benefit ACSM.
- Income recipient(s) receives fixed income for life or a term of years.
- Donor avoids capital gains tax if appreciated property is contributed.
- Income recipient(s) may receive increased spendable income from low-yield assets.
- Professional management of assets and estate tax savings are available for donor.
- Plan gives donor opportunity to help other family members with additional income.

Benefits to ACSM:

- A much larger gift is often possible due to the financial advantages of life income arrangements.
- Following the lifetime of the income recipient(s), the value of the annuity is available to be used for the benefit of ACSM according to the donor's wishes.

Note: The correct legal name for use in all documents is: *"The American College of Sports Medicine Foundation, a not-for-profit corporation organized under the laws of the state of Indiana and located in Indianapolis, Indiana."*