

Charitable Remainder Annuity Trust - Term Certain

Prepared for: Donor name

A. Input Assumptions

Date of transfer	January 18, 2021
Fair market value of property transferred	\$100,000.00
The term income interest of the trust will last	20 years
Annual annuity rate	5%
Payment frequency	Quarterly
Is payment at beginning or end of payment period	End
The discount rate (effective 1/2021) is	0.6%
The mortality table is based on the census taken in	2000

B. Calculation of Present Value of Remainder Interest (for Term Certain)

1. Fair market value of property transferred	\$100,000.00
2. Annual annuity rate	5%
3. Annuity amount payable on an annual basis	\$5,000.00
4. Factor for present worth of an annuity (based on Table S)	18.7935
5. Line 3 annuity amount times Line 4 factor	\$93,967.50
6. Adjustment factor for payment frequency (from Table K)	1.0022
7. Adjusted annuity value (Line 5 * Line 6)	\$94,174.23
8. Amount of first annuity payment if payment is made at beginning of period for a non-term annuity trust (otherwise 0)	\$0.00
9. Present value of annuity interest (Line 7 + Line 8)	\$94,174.23
10. Minimum value of annuity interest (lesser of Line 1 and Line 9)	\$94,174.23
11. Present value of remainder interest = the tax deduction (Line 1 - Line 10)	\$5,825.77

C. Calculation of Tax Deduction for Charitable Remainder Annuity Trusts

Fair market value of property transferred	\$100,000.00
Present value of remainder interest in annuity trust factor as a percent	5.83%
Present value of remainder interest = the tax deduction (Line 1 * Line 2)	\$5,825.77
10% remainder interest test	Failed
5% probability test	N/A

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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