

CHARITABLE REMAINDER TRUST

UPDATED OCTOBER 2018

A charitable remainder trust provides a payment stream to the donor and/or other individuals for life or a term up to 20 years ("the income interest"). When the trust ends, its assets are distributed to one or more charitable organizations ("the charitable remainder interest"). The donor may save income taxes and/or estate taxes when establishing the trust. A charitable remainder trust is irrevocable and must meet certain IRS requirements.

The donor may serve as trustee, appoint an independent trustee, or ask Seattle Foundation to act as trustee. If Seattle Foundation acts as trustee, the trust agreement must name Seattle Foundation as the charitable remainder beneficiary. Seattle Foundation prepares the trust documents as a service to our donors, upon request.

Minimum amount when Seattle Foundation serves as trustee: \$250,000

When Seattle Foundation serves as trustee, the first \$100,000 of the remainder must be designed to benefit one or more Healthy Community Funds of the donor's choosing to support a stronger, more vibrant community for all. Donors may select which of the following area(s) of need they feel most passionate about to receive this gift.

- Arts & Culture
- Basic Needs
- Economy
- Education
- Environment
- Global
- Health & Wellness
- Vibrant Communities

The donor may designate up to 50% of the remainder over \$100,000 be distributed directly to charitable organizations or causes of their choosing.

The balance of the remainder may be designated to benefit any endowed fund at Seattle Foundation. For example, the donor could establish an endowed fund at Seattle Foundation to provide ongoing support to the donor's favorite charities, or create an endowed Community Philanthropy Fund or Family Foundation to be advised by the donor's family.

Fees when Seattle Foundation serves as trustee are competitive with professional fiduciaries and are typically less than those of a private trust company. The current fees total less than 1% and are broken down as follows:

- 0.25% Seattle Foundation administration
- 0.60% investment management
- \$400 annually for tax preparation and filing

FOR MORE INFORMATION ABOUT USING CHARITABLE REMAINDER TRUSTS TO ACHIEVE YOUR CHARITABLE GOALS, CONTACT SEATTLE FOUNDATION'S GIFT PLANNING TEAM AT 206.515.2108 OR GIFTPLANNING@SEATTLEFOUNDATION.ORG.

Please note that the information contained herein is not intended to provide specific legal or financial advice and should not be relied upon as a substitute for such professional advice. Seattle Foundation encourages you to seek professional legal, estate planning and financial advice before deciding on a course of action.