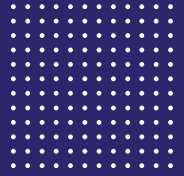


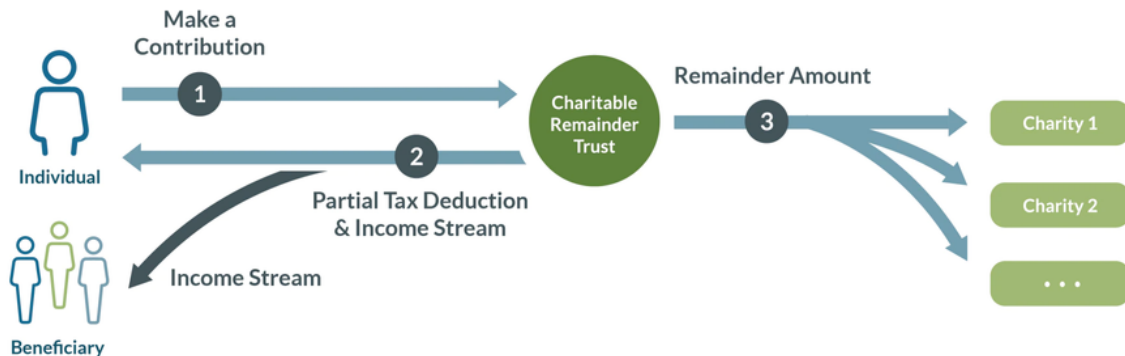
# CHARITABLE REMAINDER ANNUITY TRUST (CRAT)



*Prospect Conversation*



# Charitable Remainder Annuity Trust (CRAT)



## Prospect Conversation

**Financial Advisor:** Good afternoon, Susan! I understand you have significant assets and a **strong desire** to make a **meaningful** charitable donation while securing a **fixed income stream** for your retirement. I have a **fantastic** solution that **might be** just what you're looking for: a **Charitable Remainder Annuity Trust**, or CRAT.

Susan (**Prospect**): Hello! That sounds intriguing. How does this CRAT work, and how will it benefit me?

**Financial Advisor:** Great questions, Susan! With a CRAT, **you** create a trust and **transfer assets** like cash, stocks, or real estate into it. As the **primary beneficiary** of the trust, you'll receive a **fixed income stream** for a **specific period**, which **could be** your entire lifetime **or** a chosen term of years.

Susan (**Prospect**): That sounds like it could provide the financial security I need for my retirement. But how does the charitable aspect fit into this?

**Financial Advisor:** Plenty of advantages! **First**, you'll receive a **fixed income stream** for the chosen period, which **provides** you with a stable source of income during your retirement to **support** your **lifestyle** and financial needs.

Susan (**Prospect**): That's definitely a significant benefit. Are there any tax advantages?

**Financial Advisor:** Yes, indeed! By establishing the CRAT, **you** become **eligible** for an **immediate** charitable income tax **deduction** based on the **present value** of the charitable remainder interest. This **could** potentially **reduce** your income tax liability in the **year** the trust is created.

Susan (**Prospect**): That's appealing. What about the timing of the charitable donation?

**Financial Advisor:** With a CRAT, **your** donation to the charitable organization **is** deferred until **after** your passing **or** the end of the specified term. **This means** you **retain** control **and** use of the assets **during** your lifetime **while still** contributing to the charitable cause you **deeply** care about.

Susan (**Prospect**): I'm glad to know my contribution will make an impact even after I'm gone. Is there anything else I should consider before making a decision?

**Financial Advisor:** Yes, it's **crucial** to be aware that **once** the assets are transferred into the CRAT, they become **irrevocable** and **cannot** be retrieved. Therefore, **careful consideration** of the assets **to be** contributed and the **fixed annuity payment** amount is necessary to **ensure** you're **comfortable** with the arrangement.

Susan (**Prospect**): Thank you for pointing that out. I'll definitely take my time to weigh the options. What's the bottom line, though?

**Financial Advisor:** In summary, by **setting up** a Charitable Remainder Annuity Trust, you'll **achieve** your goals of **supporting** a charitable cause **while** receiving a **reliable** fixed income stream **during** your retirement years. To **ensure** everything is tailored to your **unique** circumstances and adheres to **current** tax laws, I recommend consulting with an **experienced** estate planning attorney or tax advisor.

Susan (**Prospect**): This sounds like an ideal solution for me. However, I'm still hesitant about some aspects.

**Financial Advisor:** I completely understand your hesitation, Susan. It's **natural** to have concerns, and **I'm here** to address them. Let's discuss any **specific worries** you have, and I'll provide further insights and reassurances.

Susan (**Prospect**): Well, I'm worried about not having access to the assets once they're in the trust. What if I need additional funds during retirement?

**Financial Advisor:** That's a **valid concern**, Susan. With a CRAT, while you **won't** have access to the assets **once** they're in the trust, you **will receive** a **fixed income** stream **during** the specific period you choose. We'll **carefully** plan the **payment amount** to ensure it **adequately** meets your financial needs during retirement. Additionally, **we can** explore **other** financial strategies to supplement your income **if required**.

Susan (**Prospect**): I see your point. Another concern is making sure my chosen charitable organization will receive the funds according to my wishes.

**Financial Advisor:** Your wishes are of **utmost importance**, Susan. When setting up the CRAT, we'll **work together** with an experienced estate planning attorney to **ensure** the trust's provisions **explicitly** state your chosen charitable organization as the remainder beneficiary. We'll **double-check** all legal aspects to **guarantee** your charitable goals are met **precisely** as you envision.

Susan (**Prospect**): Your answers are reassuring. I appreciate your expertise and guidance in addressing my concerns. I'm now ready to move forward with establishing the CRAT.

**Financial Advisor:** I'm thrilled to hear that, Susan! By establishing the CRAT, you'll **not only** achieve your charitable aspirations but **also** secure a **reliable income stream** for your retirement. Your philanthropic **legacy** will leave a **lasting impact**, and I'm honored to be part of making it happen. **Let's** proceed with the necessary steps to **create** the CRAT that **perfectly aligns** with your financial goals and charitable **vision**.

