

# Charitable Remainder Unitrust - Two Life

Prepared for: Donor name

## A. Input Assumptions

Date of transfer	August 6, 2020
Fair market value of property transferred	\$ 1,000,000.00
Nearest age on the date of the gift for <u>Beneficiary 1</u> is	82
Nearest age on the date of the gift for <u>Beneficiary 2</u> is	82
Payout rate	5 %
Payment frequency	Quarterly
Date of first payment:	September 30, 2020
The number of months from the valuation date and the first payout for the first full taxable year of the trust	3
IRC Sec. 7520(a) election to use 7/2020 discount rate of	0.6%
The mortality table is based on the census taken in	2000

## B. Calculation of Present Value of Remainder Interest Factor: (Interpolation of Table U Factor for Number of Lives)

1. Factor from Table F based on the payment period, the number of months between the valuation date and the first payment date, and the discount rate	0.99627
2. Adjusted payout rate (Table F factor * payout rate)	4.98%
3. The nearest usable payout rate less than the Line 2 rate	4.8%
4. Line 2 minus line 3	0.18%
5. Line 4 divided by .20 percent	0.90675
6. Factor from Table U at the Line 3 rate	0.61837
7. Factor from Table U at the rate .20 percent higher than the line 3 rate	0.60651
8. Line 6 minus Line 7	0.01186
9. Line 8 times Line 5 (Interpolation adjustment)	0.01075
10. Present value of remainder interest factor (Line 6 - Line 9)	0.60762

## C. Calculation of Tax Deduction for Charitable Remainder Unitrust

Fair market value of property transferred	\$1,000,000.00
Present value of remainder interest in unitrust factor as a percent	60.76%
Present value of remainder interest = the tax deduction (Line 1 * Line 2)	\$607,620.00
10% remainder interest test	Passed

**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.

The Rev. Dr. Jonathan B. Lee  
Philanthropy Officer  
(800) 642-6543 x2718

© Copyright 2020 by Sharpe Group. All Rights Reserved.

**Source URL (retrieved on 08/06/2020 - 02:25):** <https://pbucc.givingplan.net/pp/charitable-remainder-unitrust-two-life/279>