

# CHARITABLE REMAINDER UNITRUSTS

A gift to Duke that pays you back

**A charitable remainder unitrust (CRUT)** is a special type of trust that pays you, and/or other designated recipients, an income for life or for a specified number of years. After that time, the balance of the trust is applied to the purpose you have designated at Duke. You can establish a CRUT during your life (for you and/or a spouse) or through your estate to provide for a loved one.

## Benefits

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When you create a CRUT, you are eligible for a current income tax deduction for a portion of your gift. You may also be able to contribute appreciated assets to the CRUT, which can be sold, without immediate recognition of capital gains taxes. Additional advantages:

- Receive an income for you and/or a loved one.
- Establish a gift with as little as \$100,000.
- Enjoy charitable deductions and other tax-saving opportunities.
- Have assets managed by Duke, you, or your trusted advisor.
- Add to your CRUT at any time. Some donors add each year.

## How it works

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A CRUT pays a fixed percentage of its value each year to the income beneficiaries. This percentage must be at least 5%. Income payments are variable, depending on the performance of the trust's investments each year. If the trust principal grows, then the income payments grow along with it, providing a hedge against inflation. Likewise, if a CRUT's annual net earnings do not exceed its payout amount in a given year, the following year's payment will be less than the prior year.

While CRUTs are usually funded with gifts of cash or appreciated stock, it is also possible to fund CRUTs with assets such as real estate, artwork, and collectibles.

### Want to learn more?

Phil Buchanan, senior philanthropic counsel, describes how you can generate an income and make the most of your charitable contribution through a charitable remainder unitrust in this three-minute video. Click the video to watch, or visit [tinyurl.com/udvgpcru](https://tinyurl.com/udvgpcru).

unwrapping

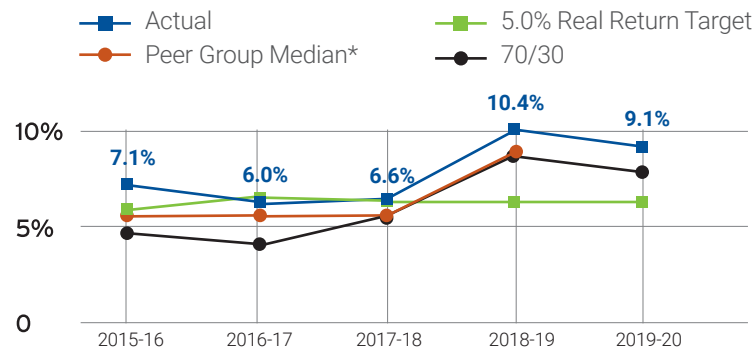
gifts



1. You make a gift to your CRUT.
2. Immediate charitable deduction and a variable annual payout for life or for a specified number of years.
3. At the end of the term, the remainder goes to the area of Duke most important to you.

In most cases, Duke can serve as the trustee of a CRUT. The university does not charge a fee for its service, but does pass along the costs of trust administration and tax preparation services, which are provided by Bank of New York Mellon Corporation (currently 0.7 percent or less). With Duke serving as the trustee, your CRUT may be invested to mirror the performance of the university's endowment or invested in other equity and fixed income funds.

#### TEN-YEAR ANNUALIZED RETURNS FOR 2019-2020



\*The Cambridge Associates Universe is a group of peer colleges and universities with endowment funds that are similar to Duke's, often managed by professional internal staff. The average annualized rate of return for the 10-year period ending June 30, 2020, will be posted online when it becomes available.

For the year ending June 30, 2020, the LTP achieved a one-year return of 0.7%. During that time frame, the MSCI All Country World Index returned 2.1% and the Bloomberg Barclays Aggregate Bond Index earned 8.7%.

#### ONE-YEAR RETURNS

2015-16	- 2.6%
2016-17	12.7%
2017-18	12.9%
2018-19	6.9%
2019-20	0.7%

#### Contact us for a personalized illustration

of the tax deductions and payout rate combinations available for you, based on your age and anticipated gift. If you would like to explore a gift that provides a fixed-dollar payment that will not fluctuate with the financial markets, a charitable gift annuity may be a more appealing alternative.

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#### Connect with us to get started

Duke University's Office of Gift Planning has charitable planning experts available to work with you and your financial advisors to explore charitable giving strategies that support your financial goals now and in the future.

EMAIL: [giftplanning@duke.edu](mailto:giftplanning@duke.edu)

PHONE: (919) 613-1521

WEBSITE: [giving.duke.edu/giftplanning](http://giving.duke.edu/giftplanning)

BLOG: [giving.duke.edu/blueprints](http://giving.duke.edu/blueprints)