Charitable Remainder Annuity Trust - One Life

Prepared for: Donor name

A. Input Assumptions

Date of transfer: April 24, 2021
Fair market value of property transferred: $1,000,000.00
Nearest age on the date of the gift for Beneficiary 1: 89

Annual annuity rate: 6%
Payment frequency: Quarterly
Is payment at beginning or end of payment period: End
The discount rate (effective 4/2021) is: 1%
The mortality table is based on the census taken in: 2000

B. Calculation of Present Value of Remainder Interest (for Number of Lives)

1. Fair market value of property transferred: $1,000,000.00
2. Annual annuity rate: 6%
3. Annuity amount payable on an annual basis: $60,000.00
4. Factor for present worth of an annuity (based on Table S): 4.596
5. Line 3 annuity amount times Line 4 factor: $275,760.00
6. Adjustment factor for payment frequency (from Table K): 1.0037
7. Adjusted annuity value (Line 5 * Line 6): $276,780.31
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): $276,780.31
10. Minimum value of annuity interest (lesser of Line 1 and Line 9): $276,780.31
11. Present value of remainder interest = the tax deduction (Line 1 - Line 10): $723,219.69

C. Calculation of Tax Deduction for Charitable Remainder Annuity Trusts

Fair market value of property transferred: $1,000,000.00
Present value of remainder interest in annuity trust factor as a percent: 72.32%
Present value of remainder interest = the tax deduction (Line 1 * Line 2): $723,219.69
10% remainder interest test: Passed
Probability that the annuitant will survive to the exhaustion of the fund: 0.1%
5% probability 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.