Charitable Remainder Unitrust - Two 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 is 83
Nearest age on the date of the gift for Beneficiary 2 is 83
Payout rate: 5%
Payment frequency: Quarterly
Date of first payment: June 30, 2021

The number of months from the valuation date and the first payout for the first full taxable year of the trust: 3
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 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: 0.993804
2. Adjusted payout rate (Table F factor * payout rate): 4.97%
3. The nearest usable payout rate less than the Line 2 rate: 4.8%
4. Line 2 minus line 3: 0.17%
5. Line 4 divided by .20 percent: 0.8451
6. Factor from Table U at the Line 3 rate: 0.63478
7. Factor from Table U at the rate .20 percent higher than the line 3 rate: 0.62325
8. Line 6 minus Line 7: 0.01153
9. Line 8 times Line 5 (Interpolation adjustment): 0.00974
10. Present value of remainder interest factor (Line 6 - Line 9): 0.62504

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: 62.5%

Present value of remainder interest = the tax deduction (Line 1 * Line 2): $625,040.00
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.

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