

Charitable Remainder Annuity Trust - Two Life

Prepared for: Donor name

A. Input Assumptions

Date of transfer	September 21, 2020
Fair market value of property transferred	\$1,000,000.00
Nearest age on the date of the gift for Beneficiary 1 is	88
Nearest age on the date of the gift for Beneficiary 2 is	84
Annual annuity rate	5%
Payment frequency	Quarterly
Is payment at beginning or end of payment period	End
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 (for Number of Lives)

1. Fair market value of property transferred	\$1,000,000.00
2. Annual annuity rate	5%
3. Annuity amount payable on an annual basis	\$50,000.00
4. Factor for present worth of an annuity (based on Table S)	8.015
5. Line 3 annuity amount times Line 4 factor	\$400,750.00
6. Adjustment factor for payment frequency (from Table K)	1.0022
7. Adjusted annuity value (Line 5 * Line 6)	\$401,631.65
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)	\$401,631.65
10. Minimum value of annuity interest (lesser of Line 1 and Line 9)	\$401,631.65
11. Present value of remainder interest = the tax deduction (Line 1 - Line 10)	\$598,368.35

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	59.84%
Present value of remainder interest = the tax deduction (Line 1 * Line 2)	\$598,368.35
10% remainder interest test	Passed
Probability that the annuitant will survive to the exhaustion of the fund	0.21%
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.

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