

Grantor Charitable Lead Annuity Trust - Term Certain

Prepared for: Donor name

A. Input Assumptions

Date of transfer	April 26, 2021
Fair market value of property transferred	\$1,000,000.00
The term income interest of the trust will last	20 years
Annual annuity rate	5%
Payment frequency	Quarterly
Is payment at beginning or end of payment period	End
IRC Sec. 7520(a) election to use 2/2021 discount rate of	0.6%
The mortality table is based on the census taken in	2000

B. Calculation of Income Tax Deduction for Grantor Trust

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 B)	18.7935
5. Line 3 annuity amount times Line 4 factor	\$939,675.00
6. Adjustment factor for payment frequency (from Table K)	1.0022
7. Present value of annuity interest (Line 5 * Line 6)	\$941,742.29
8. Value of annuity interest (lesser of Line 1 and Line 7)	\$941,742.29
9. Present value of remainder interest = non deductible remainder (Line 1 - Line 8)	\$58,257.71
10. Percent of property that will revert to the grantor	5.83%
11. Is income tax deduction allowed? (Is Line 10 > 15%)	Yes
12. Income tax deduction	\$941,742.29

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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