

Grantor Charitable Lead Unitrust - 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
Unitrust payout rate	5%
Payment frequency	Quarterly
Is payment at beginning or end of payment period	End
Number of months between the valuation date and the first payout rate for the first full taxable year of the trust	3
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 Present Value of Remainder Interest Factor: (Interpolation of Table U Factor for Term Certain)

1. Factor for Table F based on the payment period, the number of months between the valuation date and the first payment date, and the discount rate	0.99627
2. Adjusted payout rate (Table F factor * payout rate)	4.98%
3. The nearest usable payout rate less than the Line 2 rate	4.8%
4. Line 2 minus Line 3	0.18%
5. Line 4 divided by .20 percent	0.90675
6. Factor from Table U at the Line 3 rate	0.373886
7. Factor from Table U at the rate .20 percent higher than the Line 3 rate	0.358486
8. Line 6 minus Line 7	0.0154
9. Line 8 times Line 5 (Interpolation adjustment)	0.013964
10. Present value of remainder interest factor (Line 6 - Line 9)	0.359922

C. Calculation of Income Tax Deduction Allowed for Grantor Trust

1. Fair market value of property transferred	\$1,000,000.00
2. Present value of remainder interest in unitrust factor (from Section B)	0.359922
3. Present value of remainder interest - non-deductible remainder (Line 1 * Line 2)	\$359,922.00
4. Present value of unitrust interest (Line 1 - Line 3)	\$640,078.00
5. Percent of property that will revert to grantor (Line 3 / Line 1)	35.99%
6. Is income tax deduction allowed? (Line 5 > 5%)	Yes
7. Income tax deduction	\$640,078.00

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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Source URL (retrieved on 04/26/2021 - 06:18): <https://brethren.givingplan.net/pp/grantor-charitable-lead-unitrust-term-certain/1214>