



Charitable Remainder Unitrusts

Support Farmland Conservation and Receive Income for Life

Are you interested in supporting the protection of America's farmland while receiving income for life or a fixed number of years? A charitable remainder unitrust could help you achieve your personal objectives, enhance your loved ones' financial security, and leave a lasting impact on farmland conservation. By choosing American Farmland Trust as your beneficiary, you contribute to a future where farmland is protected, and sustainable farming practices thrive.

How It Works

A charitable remainder unitrust is a remarkable way to support American Farmland Trust while also receiving income for life or a fixed number of years. You'll benefit from an immediate income tax deduction for a portion of your contribution and may save on capital gains taxes if you donate an appreciated asset.

Charitable Remainder Trust



- **Establish a Trust:** You initiate a trust with American Farmland Trust using \$100,000 or more in cash or securities or \$100,000 or more in real estate.
- **Legal Documentation:** If American Farmland Trust is named trustee, our legal counsel will draft a trust document. When we serve as trustee, we collaborate with investment partners to manage the trust appropriately.
- **Receive Payments:** You or your beneficiaries, who must be age 50 or older, receive payments for life or a term of up to 20 years. Payments will fluctuate based on the performance of the trust's investments and are based on a rate agreed upon when the trust is established. (We most commonly use the statutory minimum rate of 5 percent.)
- **Asset Transfer:** If you donate appreciated securities to the trust, those assets can be sold and the full amount reinvested without incurring capital gains tax at the time of the transfer.
- **Add to Your Trust:** You have the flexibility to add to your trust at any time with additional gifts of cash, marketable securities, or real estate.
- **Trust Termination:** When the unitrust ends—either at the death of the last beneficiary or at the end of the trust term—the remaining balance will be transferred to American Farmland Trust, supporting our mission and goals.

How You Benefit

The benefits of a Charitable Remainder Unitrust (CRUT) include:

- **Lifetime Income:** Provides a source of income for your lifetime, for the lives of multiple beneficiaries, or for a predetermined number of years.
- **Flexible Funding:** Offers diverse and adaptable funding options to suit your financial situation best.
- **Portfolio Diversification:** An excellent opportunity to diversify your investment portfolio.
- **Tax-efficient Transfer:** When you donate appreciated assets to the trust, no capital gains tax is due at the time of transfer, maximizing your contribution.
- **Income Tax Benefits:** You may be eligible for a partial charitable income tax deduction in the year of your gift, potentially carrying over additional deductions in subsequent years.
- **Making a Difference:** Experience the satisfaction of knowing that your contribution supports the conservation of farmland and the promotion of sustainable agriculture, contributing to a healthier and more sustainable future.

More Information

The standard unitrust is structured to deliver income as a fixed percentage of a progressively growing principal. This ensures that your payments can increase over time. Payments from a standard unitrust commence as soon as the trust is established and funded. On the other hand, you could consider setting up a 'FLIP' unitrust.

This unique arrangement offers several benefits:

- **Future Income Growth:** By deferring your trust payments, they can accumulate over time, providing you with a boosted income in the future.
- **Asset Appreciation:** A 'FLIP' unitrust allows you to hold appreciated assets, eliminating the immediate capital gains cost of a sale.
- **Inflation Protection:** The deferred and growing payments can safeguard against inflation, ensuring future financial security.