



American Heart Association.

Charitable Trusts

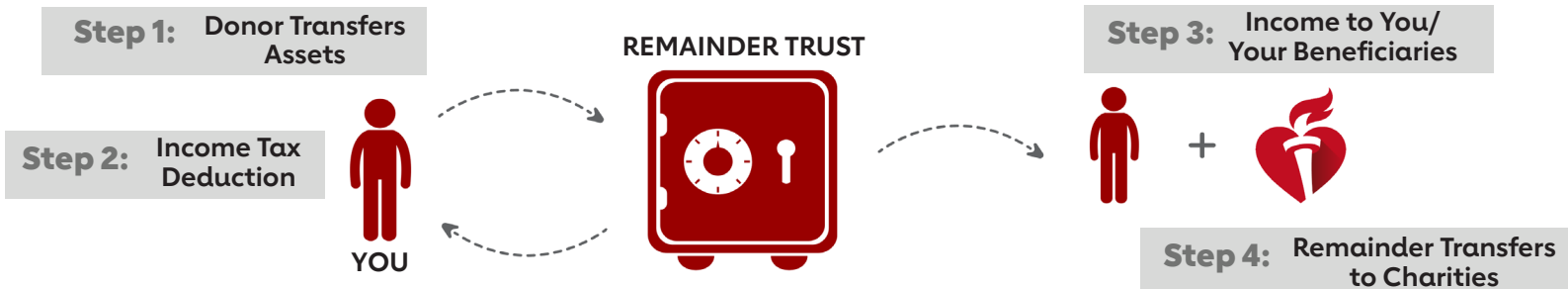


Planning a future gift to the American Heart Association through your trust is a simple way to make a lasting impact on a world of longer, healthier lives for generations to come. There are many types of trusts to choose from depending on your unique circumstances.

A charitable trust is structured in a way that makes the trust exempt from income taxes while allowing you to provide for both designated individuals and charities that you care about. There are two main types of charitable trusts, each with several subtypes.

Charitable Remainder Trust

A **charitable remainder trust** provides you or other named individuals with income for either your lifetime, your beneficiaries' lifetimes, or a specified length of time up to 20 years. At the end of the trust term, the balance will be transferred to the American Heart Association and used to help fund lifesaving research and advocate for healthier communities across the country. There are two ways to receive payments, and each has its own benefits.



A **charitable remainder annuity trust** pays you at a fixed rate, regardless of fluctuations in trust investments. You'll receive the same amount each year.

Benefits

- May receive an immediate income tax deduction for a portion of your contribution to your trust.
- Can bypass or defer capital gains tax on any appreciated assets you donate.
- Your or your beneficiaries receive stable, predictable income for life or a term of years.

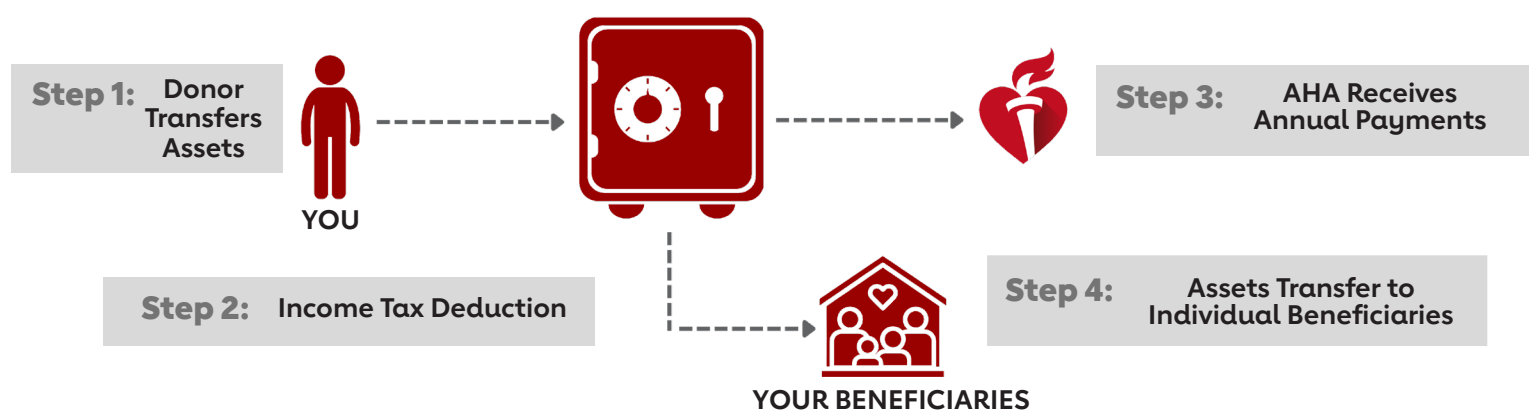
A **charitable remainder unitrust** works in a very similar way, but it pays you at a variable rate each year based on a fixed percentage of the fair market value of the trust assets. Your trust's assets will be valued on an annual basis to determine the amount you will receive. If the trust's assets increase, the payments to you or your beneficiaries will increase, and vice versa.

Benefits

- May receive an immediate income tax deduction for a portion of your contribution to your trust.
- Can bypass or defer capital gains tax on any appreciated assets you donate.
- You or your designated beneficiaries receive income for life or a term of years.
- You can make additional gifts to the trust as your circumstances allow and may qualify for additional tax deductions.

Charitable Lead Trust

A **charitable lead trust** allows you to make an impact on the causes you care about now while also providing for your family later. A charitable lead trust works in the reverse of a charitable remainder trust. You transfer cash or other assets to a trust that makes payments to the American Heart Association for a period of time. When the term ends, the remaining assets pass to the individual beneficiaries you select.



A **charitable lead annuity trust** pays a fixed amount each year to the American Heart Association.

A **charitable lead unitrust** pays a variable amount each year to the American Heart Association based on the value of the assets in the trust. With a unitrust, if the trust's assets increase in value, the payments to the American Heart Association increase as well, and vice versa.

Benefits

- You may qualify for a tax deduction and the payments can reduce or even eliminate the transfer taxes due when the remaining funds revert to your heirs.
- All appreciation that takes place in your trust becomes tax-free to your heirs.
- You can use your available estate tax unified credit to further reduce the taxes on transfers to your heirs.

Trusts can be funded through a variety of ways such as with cash, stock, real estate, retirement plan assets and more, depending on the type of trust. Your advisor can help you select which approach is right for you.

For More Information

If you have questions about how to make a gift through a trust or are not sure which strategy might be right for you, please contact us at 888-227-5242 or plannedgiving@heart.org. We are pleased to assist you and answer your questions.