CHARITABLE REMAINDER TRUST

WHAT IS A CHARITABLE REMAINDER TRUST?

A charitable remainder trust (CRT) is a strategic way to make a gift to Swarthmore College while receiving a steady income stream and maximizing tax advantages, including deferring or eliminating capital gains tax. A CRT is an irrevocable trust whereby you donate assets to the College and receive an annual income for life or a specific time period. Depending on your philanthropic and financial priorities, you can choose between two primary types of trusts:

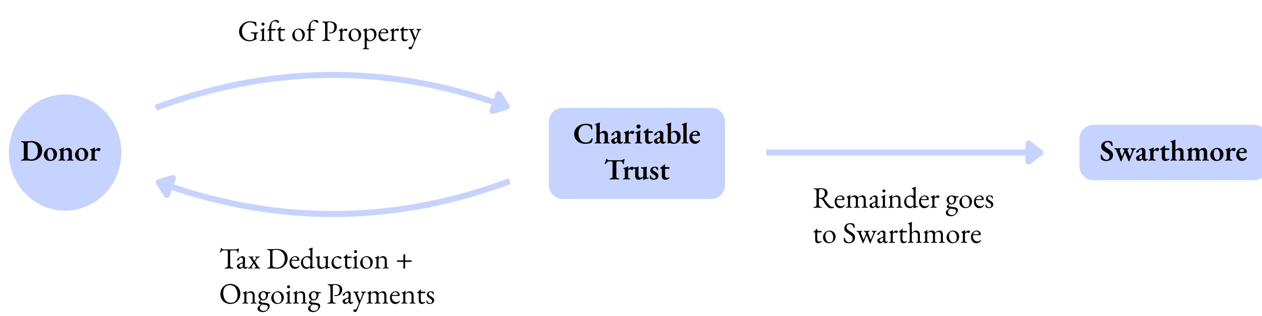
- Charitable Remainder Unitrust (CRUT): Offers payments that vary based on the trust's investment performance. Typically provides at least 5% of the value of the trust as calculated each year.
- Charitable Remainder Annuity Trust (CRAT): Offers payments that are a fixed amount based on the initial trust value.

HOW IT WORKS

1. Transfer: You donate assets to Swarthmore to establish a trust. The College works with you to establish the terms of the trust. You receive a charitable income tax deduction for a portion of the value of the assets you contribute.

2. Income: The College acts as the trustee and sends regular payments for a predetermined period (usually for life or a term of years) to you and/or one or more other living loved ones.

3. Impact: After the trust term is over, Swarthmore receives the remaining balance or "charitable remainder" to support what is most meaningful to you.



BENEFITS OF ESTABLISHING A CHARITABLE REMAINDER TRUST

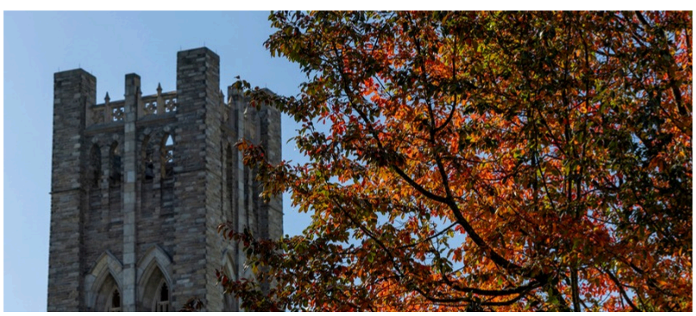
- Income payments to one or more beneficiaries
- Federal income-tax deduction for the charitable remainder value of your interest
- Defer or eliminate the capital gains tax you would normally incur by contributing appreciated assets
- Trust remainder will provide generous support to Swarthmore College
- Membership in the James. A Michener Legacy Circle, which honors individuals who have supported the College through estate gifts or life-income gifts.

GUIDELINES FOR ESTABLISHING A CHARITABLE REMAINDER TRUST

- The minimum amount to establish a charitable remainder trust with Swarthmore is $100,000.
- A charitable remainder trust can be funded with cash, securities, and/or properties.
- Payments may be received over a lifetime or period of time, up to 20 years.

COMPLIMENTARY ILLUSTRATION

The Office of Gift Planning can prepare a personalized illustration showing the potential income, tax, and philanthropic benefits of establishing a charitable remainder trust. Individuals considering a charitable remainder trust are encouraged to consult their own legal and tax advisors. The Office of Gift Planning is happy to coordinate with your advisors and provide any information needed.



CONTACT US

The Office of Gift Planning is happy to discuss charitable giving options with you and help you determine which strategies will work best to meet your needs and goals.

swarthmore.giftplans.org

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