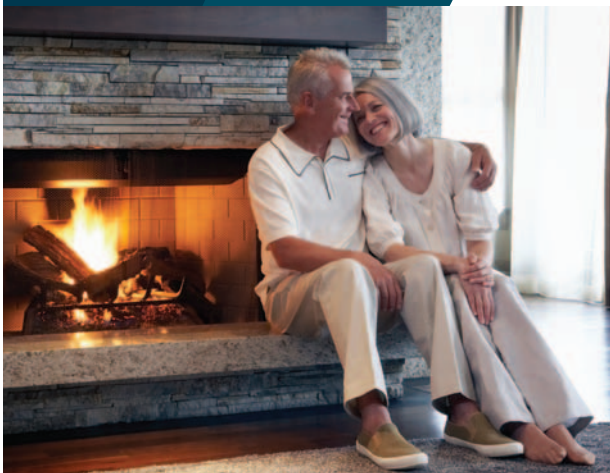


An **Educational** Guide
for Individuals



Confidence
in giving
Charitable
Remainder Trust

MassMutual
Trust Company, FSB



Philanthropy in the United States is characteristic of the pride and unity of its citizens. In 2006 Americans gave an estimated \$295 billion dollars to their favorite charities.* Each donor has their own motive for giving. Often it is based on faith, gratitude or to benefit a favored cause. Regardless of the specific motive, charitable giving makes a difference by improving the lives of others.

*Source: U.S. charitable giving reaches \$295.02 billion in 2006, Giving USA Foundation™ June 25, 2007.

While philanthropy can provide self-fulfillment, many charitably inclined donors are not in a position to make large gifts outright. A charitable remainder trust (“CRT”) is a way to make a significant gift to a favorite cause, while retaining an income stream.

A properly drafted CRT enables the donor to make a gift in trust to a favorite charity. In addition to generating a charitable income tax (or estate tax) deduction, a CRT can remove appreciating assets from the donor’s taxable estate. This is accomplished while providing a stream of income for a fixed period of up to 20 years, or for the lifetimes of the donor and spouse, or any other beneficiary.

There are two basic types of CRTs: Charitable Remainder Unitrust and Charitable Remainder Annuity Trust.

Charitable Remainder Unitrust (CRUT) pays a fixed percentage of the trust’s value annually to the donor or whomever else may be designated to receive the income.

- The annual percentage to be paid is determined when the trust is created
- The unitrust percentage must be at least 5% of the annual value of the trust

- Multiple additional contributions are permitted
- The remainder of trust assets are distributed to the named charity upon termination of the trust.

Charitable Remainder Annuity Trust (CRAT)

pays a specific dollar amount to the donor or whomever else is designated to receive the income.

- The annuity amount must be greater than 5% of the initial value of the assets
- Only one contribution is permitted
- The remainder of assets is distributed to the named charity upon termination of the trust.

Both types of CRTs must meet conditions established by the IRS to ensure that there will be a distribution to the named charitable beneficiary at the end of the term.

You could benefit from a CRT if you:

- Have philanthropic goals
- Are looking for a current tax deduction
- Want to retain an income stream for yourself, spouse, or other non-charitable beneficiaries

- Want to avoid immediate payment of capital gains tax on appreciated assets
- Want to lessen estate tax liabilities.

How can The MassMutual Trust Company, FSB help you?

As your professional trustee, MassMutual Trust Company has the experience and the resources to administer your trust in the best interest of your beneficiaries. There are many tasks and complex responsibilities involved in trust administration, which include:

- Safekeeping of assets
- Professional asset management
- Calculation of required distributions to beneficiaries
- Providing accurate and timely tax information to recipient beneficiaries
- Preparing periodic trust accountings
- Preparation and filing of all required tax returns for the trust
- Maintaining accurate records
- Making payment to charitable beneficiaries when the trust term has ended.

Above and Beyond

Expertise and experience engender confidence and trust. With The MassMutual Trust Company, you can have confidence that your CRT will be administered by a highly experienced team of trust professionals who offer you:

- Superior customer service
- Years of experience in trust and fiduciary administration
- A dedicated Trust Officer to respond to your questions
- A Trust Investment Officer focused on monitoring the investments held in your trust, and
- Secure 24/7 access to account information at [MassMutualTrust.com](https://www.massmutualtrust.com).



Other Fiduciary Services

In addition to administering Charitable Remainder Trusts, The MassMutual Trust Company also services the following:

- Investment Trusts
- Revocable Living Trusts
- Trusts Under Will
(or Testamentary Trusts)
- Estate Settlements
- Irrevocable Life Insurance Trusts
- Agency and Agent for Trustee
Accounts.

Place your trust with The MassMutual Trust Company, FSB

The right trust can provide estate planning flexibility and can be customized to accomplish a wide array of objectives. However, a trust may be only as effective as the Trustee who manages and administers it. For more information on The MassMutual Trust Company, FSB and the services they can offer you, visit MassMutualTrust.com or contact the Trust Company directly at 1-888-894-5354 with any questions or inquiries.

This brochure describes services by The MassMutual Trust Company, FSB, and its intended for informational purposes only.

This material represents our understanding of the federal gift and estate tax laws as currently interpreted. Actual results will depend on the existence of an appropriately structured and administered trust.

The information provided is not written or intended as specific tax or legal advice and may not be relied on for purposes of avoiding federal tax penalties. Massachusetts Mutual Life Insurance Company (MassMutual), its employees and representatives are not authorized to give tax or legal advice. Individuals are encouraged to seek advice from their own tax or legal counsel.

The MassMutual Trust Company, FSB is a federal savings bank chartered by the Office of Thrift Supervision to provide discretionary and nondiscretionary trust and fiduciary services in all States. The trust company does not engage in banking activity (take deposits, make loans, give mortgages, etc.) and does not sell products. Our business activity is limited to providing trust and fiduciary services. The MassMutual Trust Company is a wholly-owned stock subsidiary of Massachusetts Mutual Life Insurance Company.



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TC3002 1108
CRN201011-110838