

[Jeffrey Frye](#) - Sun, 7/20/2014 - 00:00

What do you do when you run calculations for a charitable remainder annuity trust (CRAT) for one of your loyal donors, only to find that the trust fails the 10% minimum charitable remainder test or 5% probability of exhaustion test? One alternative would be to run similar calculations for a charitable remainder unitrust (CRUT) – because of the self-adjusting payment feature in a CRUT, it rarely fails the 10% minimum remainder test, and you don't have to worry about the likelihood of exhaustion at all. Another alternative would be to suggest using a term of years for the CRAT, rather than establishing it for the lifetimes of one or more individuals. In fact, using a term of years in a charitable remainder trust (CRT) can greatly expand the possibilities of how the trust will work and how it will benefit all interested parties. Let's take a look at how this might work. Authored by: Jeffrey Frye
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