

## An Update

The American Institute for Cancer Research’s Office of Gift Planning is now located at 1560 Wilson Boulevard, Suite 1000, in Arlington, VA 22209. Their phone number is 1-800-843-8114.

Under the 5% probability test mentioned on Page 24, no deduction is allowed, and the annuity trust does not qualify if at the trust’s creation there is more than a 5% probability the noncharitable beneficiary will survive to the exhaustion of trust corpus. In Rev. Proc. 2016-42, the IRS provides language that, if included in the trust, avoids the 5% probability test. The provision calls for the early termination of the annuity trust and an outright distribution of trust assets to the charitable remainderman prior to the date on which an annuity payment would be made if that payment would result in the value of the trust corpus falling below 10% of the value of the initial trust corpus as calculated under a formula in Rev. Proc. 2016-42. The early termination is considered a qualified contingency under Code §664(f).

The chart for sample charitable remainder unitrust deductions on Page 5 is updated below using a 2% §7520 rate.

Age	5%	6%	7%
55	32%	26%	22%
60	38%	32%	27%
65	45%	39%	34%
70	52%	47%	42%
75	60%	55%	50%
80	68%	63%	59%

The chart for sample charitable remainder annuity trust deductions on Page 21 is updated below using a 2% §7520 rate.

Age	5%	6%	7%
60	22%*	16%*	12%*
65	31%*	23%*	18%*
70	41%*	32%*	26%*
75	52%*	44%*	37%*
80	63%*	55%	49%*

\* Indicates trusts qualifying only if contingency language is included under Rev. Proc. 2016-42 to avoid the 5% probability test.

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