



Situation

- NIMCRUT not providing desired income

Solution

- Rollover to Standard CRUT to increase CRT income

Results

- Increased client's annual CRT income by 75%, from \$80,000 to \$140,000

To watch a short video with the Wilhelms and their tax, legal and financial advisors, visit:

[www.SterlingFoundations.com/
Wilhelm-Rollover](http://www.SterlingFoundations.com/Wilhelm-Rollover)

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ROLLOVER OF CRT INCOME INTEREST

Case Study: Underperforming NIMCRUT

In 1994, Bruce and Shelly Wilhelm created a net income with make-up charitable remainder unitrust (NIMCRUT) in connection with the sale of a landscaping business. The NIMCRUT was the perfect structure at the time and the trust worked well for many years.

But few things are unaffected by the passage of time and the Wilhelm's fit with the NIMCRUT was no exception. More than twenty years later, Bruce and Shelly could no longer rely on the NIMCRUT's distribution they had come to expect. "We felt stuck by the limitations of our trust" said Bruce. "Not sure where to begin, I started talking with financial and legal experts. The name Sterling kept coming up, and my advisory team thought they were a resource worth exploring. When I learned that Sterling was the first firm to recognize the real need to provide options for CRT owners, and that they were leading the industry by pioneering strategies that would help families like mine, the seeds of trust and possibilities were planted in my mind."

Sterling provided the Wilhelms and their advisors with illustrations of how the Wilhelms could use their NIMCRUT income interest to create a new CRT and significantly increase their annual CRT income. The new CRT would be structured as a Standard CRUT and no longer contain the net income limitation that their NIMCRUT did. They were also able to increase the new CRT's payout rate.¹

With a rollover, Bruce and Shelly increased their annual CRT income by 75%, from about \$80,000/year to \$140,000/year. They also received a \$150,000 tax deduction (the IRS calculation of the new CRT's eventual payment to charity).

Bruce wrote an open letter to other CRT beneficiaries which you can read here: www.SterlingFoundations.com/Bruce-Wilhelm-Letter. In addition, Bruce has offered to speak with other CRT beneficiaries who are interested in hearing his perspective directly. You may call him at 303- 246-7519 or e-mail him at touchpoint@mac.com.

¹To see our review of the Wilhelm's rollover, e-mail CRT@SterlingFoundations.com with "Wilhelm Rollover Review" as the subject.