



CHARITABLE LEAD TRUST

A charitable lead trust (CLT) through the Community Foundation of Broward enables you to make significant charitable gifts now while transferring substantial assets to beneficiaries later. You can use various assets to establish a trust from which the Community Foundation of Broward receives annual payments for your life (or for a specified number of years.) These distributions can build a Fund in your name to benefit areas of need you specify. When the trust terminates, the remaining property is returned to you, or distributed to your heirs or other designees. The trust assets pass to the recipients at reduced tax cost, sometimes even tax-free.

Highlights

- A Charitable Lead Trust shelters investment earnings from tax; and it offers gift, estate, and generation-skipping tax benefits.
- A donor can establish a Charitable Lead Trust during his or her lifetime or through a will.
- Even after the donor's named Fund is built through the trust, it will continue to grow and support the local community: For Good. For Ever
- A Charitable Lead Trust may appeal to those who want to reduce their estate tax or who want to delay their heirs' receipt of an inheritance.

Charitable lead trusts are not exempt from income tax. They are most effectively utilized in times of lower interest rates, and often established with assets expected to appreciate. Assets may be then be passed to heirs based on their value at the date of gift—which can save substantial taxes on assets that appreciate during the trust's term.

This educational illustration is not professional tax or legal advice; consult a tax advisor about your specific situation.