

## CHARITABLE LEAD TRUST

### ***Pays Income to Your Charity First, While Generating Immediate Tax Savings***

When you create a charitable lead trust, the initial or “lead” interest is paid out to **PEAF** annually for either a predetermined number of years or for the duration of your life. Thereafter, the assets of the lead trust are either returned to you or passed on to your children, grandchildren, or other loved ones. If the assets are to be returned to you, you receive an income tax deduction when the trust is created. If the assets are passed on to heirs, applicable estate or gift taxes on the value of the gift are reduced or completely eliminated.

A **charitable lead trust** may provide either a fixed “annuity” payment or a variable “unitrust” payment to **PEAF**. Low interest rates make the annuity payment option attractive to donors as more assets may be passed on to heirs.

A charitable lead trust can be a power tool in gift and estate tax planning, but the technical complexities require careful consideration.

*Note: The techniques and strategies above are intended to provide accurate information regarding the subjects covered; however, they are furnished with the understanding that PEAF is not engaged in rendering legal, accounting, or other professional advice or counsel. The foundation encourages the reader to seek competent professional counsel to address any legal or other issues that may arise.*