

## Charitable Lead Trust (CLT) Overview

A Charitable Lead Trust (CLT) is a unique way to support charitable causes while potentially reducing estate taxes. It involves splitting your assets into two parts: one that provides income to a charity for a specified period, and the remaining assets that eventually go to your beneficiaries.

### How a Charitable Lead Trust Works?

- 1. Creation:** A donor (you) establishes a CLT and contributes assets to it.
- 2. Income for Charity:** The trust pays a fixed amount or a percentage of its assets to a chosen charity for a set number of years or for the donor's lifetime.
- 3. Remainder to Beneficiaries:** After the specified period or your lifetime, the remaining trust assets go to your chosen beneficiaries, such as family members or friends.

### Assets That Can Be Used:

CLTs can include various assets like cash, stocks, real estate, or other valuable items.

### Ways CLT Can Be Used:

- 1. Estate Tax Reduction:** By directing income to charity first, the overall taxable value of your estate may be reduced, potentially lowering estate taxes for your beneficiaries.
- 2. Philanthropic Impact:** You support causes you care about during your lifetime, leaving a lasting impact.
- 3. Family Wealth Transfer:** Pass on assets to your heirs with potential tax advantages.

### Benefits of CLT:

- 1. Tax Efficiency:** May reduce estate taxes and provide income tax deductions for the donor.
- 2. Philanthropy:** Allows you to make a meaningful contribution to a charitable organization.
- 3. Wealth Preservation:** Balances charitable giving with the preservation of family wealth.

### Is CLT the Right Gift for You?

1. You have a charitable spirit and want to support a cause.
2. You have significant assets and want to minimize estate taxes.
3. You're open to a structured approach where a charity receives income for a set period.

### Conclusion:

A Charitable Lead Trust is a strategic way to combine philanthropy and estate planning. By providing income to a charity first, you can support a cause you care about while potentially benefiting your heirs. It's important to consult with financial and legal advisors to determine if a CLT aligns with your goals and financial situation.

## Do you need professional assistance?

We have professionals who will help you consider the best CLT options which will benefit you, your family and our work, Insha'Allah.

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