

Charitable Lead Trust (CLT)

A Charitable Lead Trust is an irrevocable trust that can be created either during one's lifetime or at death. The trust pays an amount each year (the lead interest) to one or more charities for a fixed term of years or the lifetime of one or more individuals. At the end of the trust term, the property remaining in the CLT, if any, is either returned to the donor or to his or her intended heirs. The payout to charity each year is dependent upon whether the trust is either a charitable lead annuity trust or a charitable lead unitrust. The minimum initial Trust value is \$500,000.

- **Charitable Lead Annuity Trust (CLAT)**-This type trust provides that the amount payable each year to the charitable beneficiary is a fixed dollar amount that is based on the initial payout percentage elected and the initial value of the assets transferred to the CLAT.
- **Charitable Lead Unitrust (CLUT)**-This type trust provides a fixed percentage of the trust's value determined on the annual valuation date established in the trust document.

A CLT is an estate planning technique that not only benefits charity for a period of time but can potentially return the remaining trust property at the expiration of the trust to heirs with minimal or even zero transfer tax consequences.

If you would like to learn more contact Hank Miles, at CLC at 615-661-5989 or email at hmiles@clchq.org.

"Have you included CLC in your will or trust?"