

# Charitable Lead Trust



**Transfer property to your children or grandchildren while making a significant contribution to the Jewish community.**

## Charitable Lead Trust at a Glance

- Charity receives annual contributions for a specified period of time; family members then receive the remaining assets
- May allow transfer of assets to family members with little or no transfer tax
- Growth in value of assets may be transferred to heirs with no transfer tax

A Charitable Lead Trust (CLT) offers an excellent way to transfer property in the future to family members, especially in a low interest rate environment. You will also be making valuable contributions to the Jewish community to help with critical needs now — or to support initiatives and organizations in the future. You can even use a CLT to make your gifts to the annual campaign.

A CLT is established for life or a specific number of years. The trust pays an annual amount to the Jewish community until the end of the term. At the end of the trust term, the remaining trust assets are transferred to the beneficiary of the



trust — usually children or grandchildren — with no income or estate tax due at that time, even if the fair market value is far in excess of the value when originally contributed to the trust.

Any gift or estate tax that might be due as a result of the future transfer of the assets to your next generation is based on the value of the property at the time of the original contribution to the trust. The income and estate taxes may be offset or eliminated by a charitable deduction for the trust equal to the value of the annual distribution to the charity over the term of the trust. You and your professional advisors would select the best payout rate and trust term for you.

## Typical Donor Profile

- Has a moderate to large taxable estate
- Holds assets with the potential for additional growth that can produce income
- Wants to pass assets to heirs who do not need assets or income today

## More Information About a Charitable Lead Trust

Your gift will offer you the satisfaction of supporting both your Jewish community and your loved ones.

These trusts allow you to transfer property to a trust for a stated number of years or life, with Federation receiving income during this period. The trust property is distributed to you or your beneficiaries at the end of the term of the trust.

You can direct your gift to The Jewish Federation of Greater Washington's Annual Campaign or establish a permanent named fund to benefit the Jewish community.

### FOR MORE INFORMATION, PLEASE CONTACT:

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### THE JEWISH COMMUNITY FOUNDATION BY THE JEWISH FEDERATION OF GREATER WASHINGTON

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The Jewish Community Foundation partners with and inspires philanthropists and the Greater Washington community to advance a thriving, equitable world where all people can reach their full potential.

Combining Jewish values with personalized service, we inspire generosity, support philanthropists in maximizing their impact, and build and participate in learning and funding communities to make systemic, lasting change for generations to come — within and beyond the Jewish community.

### TURN TO THE JEWISH COMMUNITY FOUNDATION FOR:

- Support with giving to your favorite causes within and beyond the Jewish community
- Building a permanent legacy to support the work of Federation's family of agencies and the Greater Washington community
- Access to philanthropic and intergenerational learning programs ground in Jewish values and teachings
- Collaborative giving opportunities to amplify your impact
- Personal, impact-focused philanthropy advisory services
- Tax-advantaged gift options

*The Jewish Community Foundation and The Jewish Federation of Greater Washington do not provide legal, financial, or tax advice. Donors are encouraged to seek independent tax and legal counsel.*