

Charitable Lead Trusts



**St. Jude Children's
Research Hospital**

ALSAC • Danny Thomas, Founder
Finding cures. Saving children.

Charitable Lead Trusts

A charitable lead trust provides annual gifts to a charity such as St. Jude, or charities of your choice, for a set period of time or the life of an individual or individuals. After that time, the trust is terminated and all remaining assets are distributed to non-charitable beneficiaries of your choice, such as family members or other loved ones. This type of planned gift begins when you irrevocably transfer assets to a charitable lead trust. Your financial or legal advisor can assist you with this process.

You choose the term of the trust and the annual payout to St. Jude or another charity. It is important to note that charitable lead trusts require setup and ongoing maintenance costs.

YOU MAY BE INTERESTED IN A CHARITABLE LEAD TRUST IF . . .

- You have a large estate that would be subject to gift and estate tax
- You have assets that you want to keep in the family and that have a likelihood of significant appreciation in the future
- You want to make significant annual gifts while you are living to a charity like St. Jude that is important to you and also pass assets to beneficiaries potentially at a lower gift or estate tax cost

ADVANTAGES OF CHARITABLE LEAD TRUSTS

- Setting up a charitable lead trust may reduce or even eliminate gift and estate taxes on trust assets passing to family. This is because the future gift to your loved ones will be valued for gift and estate purposes at the “present value” on the date you establish the trust. If the trust is created when interest rates are low and the trust’s investments perform better than expected, there may be additional assets in the trust that will pass to family members free of estate and gift taxes.
- You may not be taxed on income earned by the trust. Other tax benefits vary and you should ask your financial advisor for more information.
- St. Jude or other favorite charities can benefit from receiving annual distributions from the trust and you can see the impact of your gifts.

Please see your legal and/or tax advisor for more information and to determine if a charitable lead trust is right for you.

HOW IT WORKS

