

## **Charitable lead trust**

This type of charitable trust pays income to one or more charitable organizations, typically for a period of years, and then the remaining assets of the trust pass to noncharitable beneficiaries, such as family members. Based upon the circumstances, the type of property used and the intended beneficiaries, lead trusts can have significant estate and gift tax benefits and can be used in a wide variety of ways. It usually does not provide a current income tax deduction, depending on whether the donor wishes to be taxed on the trust's income, but it can effectively pass property to family members at reduced estate and gift tax costs.

*Please consult your tax specialist or an attorney on the above information.*