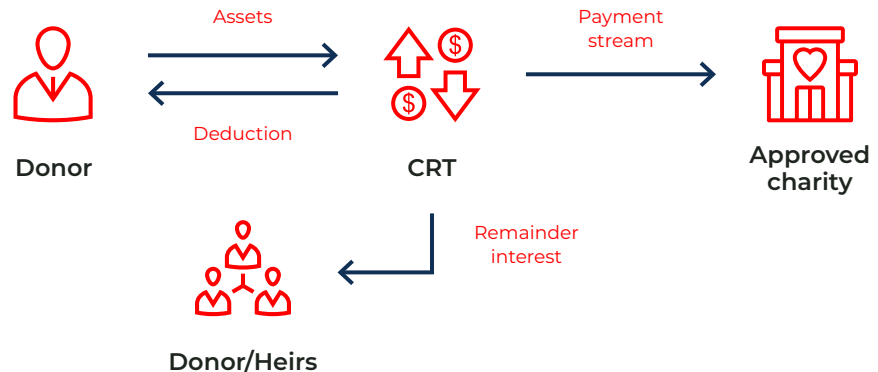


### Charitable lead trust

A charitable lead trust (CLT) is an irrevocable agreement in which a donor transfers assets to a trust that creates an income or lead interest for a charity. The trust's remainder interest either reverts to the donor or passes to a non-charitable beneficiary — typically the donor's heirs. At the termination of the trust, the charitable interest may be designated for the benefit of public charities, donor-advised funds, or private foundations.



### Who it's for

A CLT is a powerful charitable planning tool used to generate an income tax charitable deduction or a gift or estate tax charitable deduction. It's often used by individuals who have a significant income event or anticipate high estate and gift taxes in transferring their wealth to heirs.

There are two types of CLTs, grantor lead trust and non-grantor lead trust. A grantor lead trust reverts the assets of the trust back to the donor at the end of the trust term. The non-grantor lead trust transfers the assets to one or more beneficiaries designated by the donor at the end of the trust term. Charitable organizations receive an income stream for the term of the trust with both types of CLTs.

### Benefits

#### Current income tax deduction

A gift to a grantor lead trust can provide donors with a current income tax charitable deduction that can offset all forms of income.

#### Gift and estate tax planning

A CLT offers donors an alternative to the payment of gift and estate taxes. In many cases, a CLT provides an excellent method for passing assets to heirs at reduced or no transfer tax costs while making a significant gift to charity.

#### Charitable impact

Unlike a charitable remainder trust (CRT), the charity(ies) named in a CLT receive an income stream throughout the term of the trust. This allows donors to see their immediate and ongoing charitable impact.

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