The CLT is attractive for several reasons.

1. It provides a tax deduction for the donor, if the trust principal reverts to the donor at the end of the term of the trust. If the principal reverts to someone other than the donor, such as a child or grandchild, it may allow the donor to transfer assets to heirs at much reduced federal, estate, and gift tax rates.

2. It allows the parish to receive much-needed funds immediately, rather than waiting for the trust to mature.

3. It allows the donor to witness the benefits his or her gift brings to the parish during the current lifetime.

4. It affords the donor the opportunity to clearly state his or her values to heirs and to the parish community, thereby possibly encouraging further charitable gifts.

Because of the nature of the CLT, it is a tool best used when the donor has accrued reasonably significant financial holdings (generally at least several hundred thousand dollars). However, for the right individual, the CLT can be a highly useful financial planning tool. While a CLT is a somewhat complicated form of planned gift, help is available to evaluate whether it is an appropriate gift for a donor to make and to assist the donor in creating the trust.

You can learn more about charitable lead trusts and how they can benefit your parish by contacting your church or the Episcopal Church Foundation at 800-697-2858.

A Planned Gift that Makes a Difference *Now*

Often, discussions about gift planning center around deferred gifts such as bequests or charitable gift annuities. Did you know that, under certain circumstances, you can make a planned gift that immediately benefits your parish?

A charitable lead trust (CLT) is an arrangement whereby a donor transfers funds to a qualified trust which pays income to a charity for a set period of time, usually ten or twenty years, with the property eventually returned to the donor or someone else that the donor designates. The income payment to the parish or other charitable organization can be set or vary with the growth of the trust.