
Charitable Lead Trusts

Background

A charitable lead trust (CLT) is designed to encourage charitable contributions by providing its creator with a significant tax deduction in the year the trust is created, to provide income for charitable causes over a defined period of time, and then to return the residual trust principal to the creator at a specified future date.

What are the Benefits of a Charitable Lead Trust?

- To receive a current lump-sum tax deduction for the present value of multiple future years' income, the benefit of which is provided to a charity by the trust.
- To provide the creator with the remaining principal and undistributed gains in the future.
- To protect assets in the trust from future creditor claims relating to the creator.
- To offer potential principal growth and income within the trust.
- To avoid taxable gains within the trust.
- To achieve privacy within the trust because there is no registration or public recording.

Why Establish a CLT with Nevada Trust Company?

- A. Nevada has the best asset protection statutes in the country.
- B. Establishes a beachhead in Nevada for future estate and tax planning activities.
- C. Nevada Trust provides institutional resources with family office personalized services.
- D. Expertise in administering a wide range of complex assets such as real estate, mineral rights, intellectual property, trust deeds and interests in closely-held businesses.

Who Will Benefit from a CLT?

- High-income individuals seeking lump-sum deductions in the current year.
- Investors seeking tax deductions to offset substantial gains in the current year.
- Charitably minded individuals, who have no need for current income, yet seek to resume control of the assets in future years.

Why Use a Corporate Trustee?

A corporate trustee with the required attributes including extensive experience, personnel, insurance and resources necessary to manage even the most difficult situations is equipped to provide services for the most complex asset classes and extraordinary circumstances. As an independent fiduciary, a corporate trustee is removed from the prejudices inherent in family relationships that can compromise an individual trustee's objectivity.

Where do I Obtain More Information or Initiate the Process?

Because circumstances differ, it's best to consult with the experts at Nevada Trust Company to evaluate your needs in order to develop a specific plan tailored to your individual needs. There is no charge for an initial consultation. Nevada Trust does not offer legal or tax advice but can work with your attorney and CPA or refer you to competent advisors for assistance drafting all categories of trust documentation.