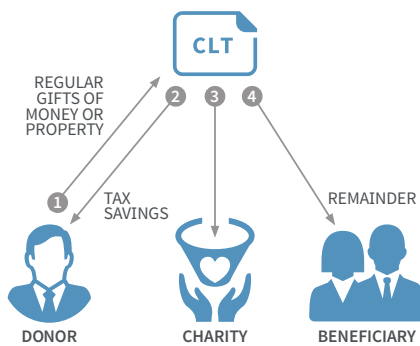




A vehicle for tax-efficient giving

A charitable lead trust offers philanthropic investors an opportunity to exercise their generosity in their lifetime, while also designating the remainder of their assets to a beneficiary of their choice. Further, for those with significant wealth, the trust provides a way to minimize their estate with regular charitable distributions and reduce or eliminate future estate taxes for their beneficiaries.

THE ANATOMY OF A CHARITABLE LEAD TRUST



A charitable lead trust is an irrevocable trust that enables you to give money or property to a charity on a regular basis – a boon for those who want to see their largesse in action during their lifetimes. Distributions can be made monthly or quarterly, for example, but no less than annually. The charitable gifts reduce the value of your taxable estate, thereby reducing the federal estate tax liability. In some cases, the estate tax may be eliminated altogether. After a specified period of time or upon death, the remaining trust property passes back to you or your designated beneficiaries.

As the name implies the charity is entitled to the lead (or first) interest in the trust property, and the non-charitable beneficiary receives the remainder (or second-in-line) interest – making it the exact opposite of a charitable remainder trust.

BENEFITS OF A CHARITABLE LEAD TRUST

Reduces or eliminates potential federal estate or gift tax liability to the donor

Benefits both charitable and non-charitable beneficiaries

Allows you to choose term of trust and payout to charity

Can be structured as a grantor or non-grantor trust

Type of assets donated may vary

Makes a difference in people's lives and communities for years to come

NEXT STEPS

There are several factors to consider before incorporating a charitable lead trust into your financial and estate plan.

- Consider your charitable goals and how they could be supported by giving back in your lifetime. Is there an organization or cause that you're particularly passionate about?
- Have a conversation with your family and those closest to you about your vision for the future and the legacy you wish to leave behind.
- What are your long-term needs for income?

Alongside your legal and tax professionals, your financial advisor can provide additional guidance to help you answer these questions as well as next steps for implementing a charitable lead trust.

Lead with generosity while preserving your legacy

SUPPORT YOUR FAVORITE CAUSES
TODAY AND YOUR HEIRS TOMORROW
WITH A CHARITABLE LEAD TRUST

A self-made business man, Carlos led a successful career as a corporate lawyer and equity partner. Three decades later, he was ready for a new chapter. At age 57, he and his wife decided it was time to make his long-time dream of owning a restaurant a reality. After just five years, the Latin eatery – inspired by the cuisine of Carlos' childhood – had loyal patrons and considerable success, providing Carlos with a steady and comfortable income to support his family's lifestyle.

Since early adulthood, Carlos had been an ardent supporter of his local Boys and Girls Club chapter and for a decade had served on the board of directors. Confident that his expenses would be covered by his restaurant earnings for the foreseeable future, he wanted to dedicate some of the considerable wealth he'd accumulated from his law career to further the work of the Boys and Girls Club. And he wanted to do so while he could see the benefits of his generosity for himself.

After a careful review of his comprehensive financial situation, Carlos' financial advisor suggested a charitable lead trust. He explained how the trust could make regular contributions to the Boys and Girls Club for as many years as Carlos wished, and his children would inherit the eventual remainder of the trust assets. Even better, his charitable contributions would make him eligible for a potential income tax deduction, making the charitable lead trust a worthwhile choice for Carlos in more ways than one.

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This case study is for illustrative purposes only. Individual cases will vary. Any information is not a complete summary or statement of all available data and does not constitute a recommendation. Prior to making any decisions, you should consult with your financial advisor about your individual situation.

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