

# LEGACY GIVING

*Giving that lasts beyond your lifetime.*

## CHARITABLE LEAD TRUST

### ESTABLISH ANNUAL GIVING AND TAX-FAVORABLE ASSET TRANSFER

- Create a separate, tax-exempt trust during your lifetime or through your will.
- Choose whether the term of the trust shall be your lifetime or a predetermined period of years.
- Determine if the trust assets shall be returned to you or transferred to heirs at little or no gift or estate tax cost at the end of the trust's term.\*
- Select a trustee or co-trustees to oversee the investment of the trust.
- Work us to establish a charitable account that will receive annual donations from the trust to facilitate your giving objectives.

### GIVE WITH FLEXIBILITY

- Donate long-term appreciated assets such as public or privately held stock, real estate, mutual funds, or other assets. Charitable lead trusts are most commonly considered during low interest rate periods due to a belief that trust assets will grow beyond the low IRS discount rate threshold, thereby creating greater tax advantage in the ultimate asset transfer.
- A charitable account created to accomplish your objectives is funded annually throughout the trust's specified term of years.
- Chose to assign successors (children, family, friends, advisors) to advise grants from the charitable account, designate specific charities to be supported over time, or target your account to address a specific need in our community.

### GIVE WITH CONFIDENCE

- Take advantage of our philanthropic services. Tell us what you want to accomplish, or what you care about, and we'll help you focus your resources.
- Stay updated on local, regional, and national news relevant to your interests and passion.

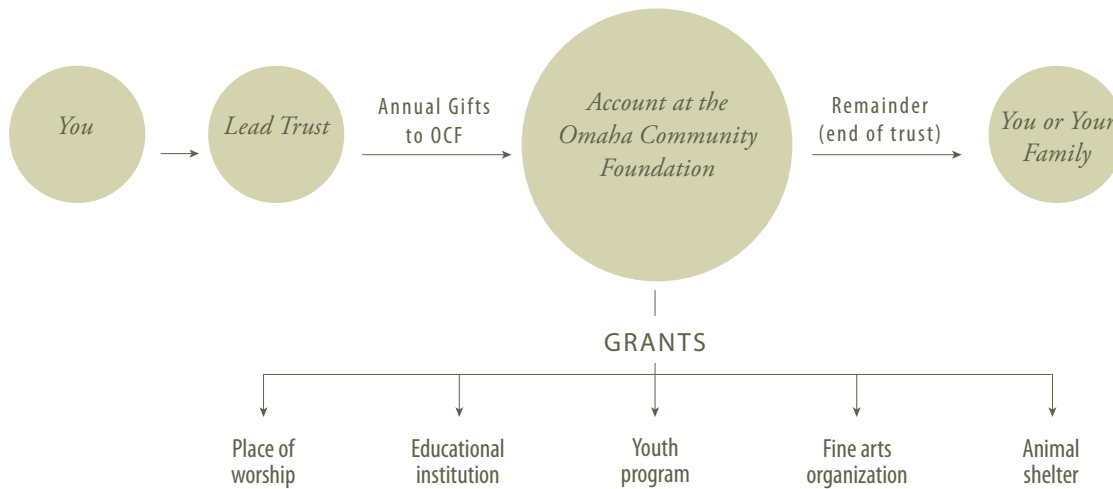
FOR MORE INFORMATION, CONTACT US AT [GIVING@OMAHAFUNDATION.ORG](mailto:giving@omahafoundation.org) OR (402) 342-3458.



Omaha Community  
Foundation

**Let good grow.**

## HOW YOUR TRUST COMBINES DONATIONS AND AN ASSET TRANSFER



### SELECTING A TRUST\*

- A **grantor annuity trust** makes annual donations of a fixed dollar amount and qualifies you for a charitable income tax deduction based upon the value of the income stream promised to charity; at the end of the trust's term, accumulated assets are returned to you. Because you retain possession of the assets while they are in the trust, all income, including that distributed to charity, is taxable to you. As a result, grantor trusts are often invested to earn tax-free income.
- A **non-grantor annuity trust** makes annual donations of a fixed dollar amount and qualifies you for a gift tax deduction based upon the value of the income stream promised to charity; at the end of the trust's term, accumulated assets are distributed to family members at a reduced tax cost. Trust payments are made from income from the trust or principal if the income is insufficient. To the extent trust income exceeds the annual donation, the trust pays income tax on the excess.
- A **grantor unitrust** makes annual donations of a fixed percentage of the trust's current value, as recalculated annually, and qualifies you for a charitable income tax deduction based upon the value of the income stream promised to charity; at the end of the trust's term, accumulated assets are returned to you. Because you retain possession of the assets while they are in the trust, all income, including that distributed to charity, is taxable to you. As a result, grantor trusts are often invested to earn tax-free income.
- A **non-grantor unitrust** makes annual donations of a fixed percentage of the trust's current value, as recalculated annually, and qualifies you for a gift tax deduction based upon the value of the income stream promised to charity; at the end of the trust's term, accumulated assets are distributed to family members at a reduced tax cost. Trust payments are made from income from the trust or principal if the income is insufficient. To the extent trust income exceeds the annual donation, the trust pays income tax on the excess.

### NOTES

*\*There are no fees assessed by the Omaha Community Foundation during the term of the trust.*

*\*Information provided is general and educational in nature. It is not intended to be, and should not be construed as legal or tax advice. Please consult with your advisor(s) to determine the ultimate deductibility of your donations.*