



## CHARITABLE LEAD TRUST



OLIN  
SOCIETY

## Charitable Lead Trust (CLT)

The charitable lead trust (CLT) pays income to Wesleyan University now, while reducing your tax costs for transferring assets to your heirs. With a charitable lead trust, you irrevocably transfer assets to a trustee and provide that payments will be made to Wesleyan for a certain number of years or until the end of your or another's life. Then the principal is passed along to your children or other heirs at greatly reduced gift and estate tax rates and in some instances, avoid them all together. The charitable lead trust may appeal to individuals who wish to make a gift while retaining property in their family.

A CLT may be right for you if...

- You have substantial assets which are not needed for your own financial security.
- You would like to provide for your family or other heirs.
- You want to reduce your gift and estate taxes, and probate costs.
- You have as your planning objective to preserve the value of your estate, not increase your income, or reduce your income tax.
- You would like your gift to provide a stream of income to Wesleyan, meaning your gift will make a difference starting immediately.

*Wesleyan University does not provide legal or tax advice. We advise you to seek your own legal and tax advice in connection with gift and planning matters.*

When you transfer assets to your charitable lead trust, you are making a taxable gift to the individuals who will receive your trust's principal when it ends. However, your gift of payments to Wesleyan earns you a charitable gift tax deduction in the year of your gift that will reduce your taxable gift. In addition, the assets in your charitable lead trust are removed from your taxable estate. This means that any growth in the value of your trust's assets during its term can be passed on to your heirs completely free of taxes.

A charitable lead trust is a taxable trust, but it pays income tax only if its income exceeds the amount it pays to Wesleyan during the year. A careful trustee can balance your lead trust's income against its charitable payments in order to minimize its income taxes.

When you establish a CLT with Wesleyan, you become a member of the **Olin Society** and join over 1,500 members of this community who have made a commitment to the future of Wesleyan through a planned gift.

## **THIS IS NOT A CAMPAIGN. THIS IS WESLEYAN.**

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