



ASTARA

*CHARITABLE
LEAD TRUSTS
SPREAD THE LIGHT
Planned Giving Program*

CHARITABLE LEAD TRUST

A charitable lead trust offers unique estate planning advantages not offered by other charitable techniques.

A charitable lead trust allows you to financially support ASTARA for a period of time, and then the remaining assets will go to your family members or beneficiaries.

You establish a lead trust by transferring cash, securities, or income-producing property to the trust.

The Charitable Lead Trust will provide annual income to ASTARA.

At the end of your lifetime or a specified number of years, the trust will return the principal, plus the appreciation to you or to your beneficiaries, at a substantially reduced tax cost.

BENEFITS OF CHARITABLE LEAD TRUST

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Provide a major gift support to ASTARA while also providing for your family.

A "grantor" charitable lead trust can provide a significant upfront federal charitable income tax deduction, especially for higher incomes.

A "non-grantor" charitable lead trust can provide significant federal gift and estate tax deductions, if you wish to pass on highly valued assets to your children or family.

No federal estate tax or gift tax on the appreciation in the value of the assets held in the trust during the term of the trust.

ASSETS FOR FUNDING

You can use a variety of assets to fund a charitable lead trust.

Assets may include cash, income-producing real estate, publicly traded stocks, or a combination of these assets.

TWO TYPES OF CHARITABLE LEAD TRUST

There are generally two types of charitable lead trusts:

- 1 grantor trust
- 2 non-grantor trust

Each may be in one of two forms:

- 1 unitrust
- 2 annuity trust

GRANTOR TRUST

In a grantor lead trust, the trust assets will revert to you as the grantor at the end of the trust term. They will not revert to your family or heirs.

This provides an income tax deduction to you in the year you create the trust equal to the present value of the annual trust payments to ASTARA.

However, you will have to report any taxable income the trust earns during the term of the trust.

If you wish to accelerate future deductions into the current year, then the grantor lead trust may be right for you.

NON-GRANTOR TRUST

In a non-grantor lead trust, the trust assets will revert to your beneficiaries at the end of the trust term.

You can create a non-grantor lead trust during your lifetime or as a testamentary trust under your will.

A non-grantor trust will not provide you with an income tax deduction at the time of its creation.

It offers several tax benefits not offered by the grantor trust.

NON-GRANTOR TRUST BENEFITS

First Benefit

By creating the trust during your lifetime, you will receive a federal charitable gift tax deduction for the present value of the annual trust payments to ASTARA.

By establishing the trust at your death, your estate is entitled to a federal charitable estate tax deduction for the present value of the annual trust payments to ASTARA.

You can use the federal gift or estate tax deduction to reduce your federal gift or estate tax liability on substantial transfers to your children or grandchildren.

Second Benefit

The income earned by the trust is not taxable to you, it is taxable to the lead trust at trust rates.

The trust in turn receives an income tax deduction for the income distributions paid to ASTARA.

Third Benefit

Appreciation in the assets during the term of the trust is not subject to additional federal gift or estate taxation.

Results

As a result, you may be able to transfer to your heirs a larger estate after taxes than would otherwise be possible.

UNITRUST OR ANNUITY LEAD TRUST

Both the grantor and non-grantor lead trust may be either a charitable lead unitrust or a charitable lead annuity trust.

UNITRUST TRUST, CHARITABLE LEAD

The unitrust pays ASTARA a variable income, based on a fixed percentage of the value of the trust assets as determined on a yearly basis.

When establishing the charitable lead unitrust, you decide what that percentage will be and for how long the trust will exist.

The income from the trust can increase as the trust principal grows over time.

You may make additional contributions to a unitrust at any time.

ANNUITY TRUST, CHARITABLE LEAD

The annuity trust pays ASTARA a fixed annual income each year for the term of the trust.

That amount is determined at the time you establish the trust, and it does not change regardless of the value of the assets in the trust.

Additional contributions are not allowed. A separate charitable lead annuity trust could be made to accomplish this goal.

MINIMUMS

A charitable lead trust is generally recommended to be funded with assets valued at \$500,000 or more.

STEPS TO ESTABLISH AND ADMINISTER A CHARITABLE LEAD TRUST

Legal counsel will prepare the charitable lead trust document for signature to establish the trust.

The trust will need to:

Name the trustee – this can be you or a bank with trust powers.

Name ASTARA as the income beneficiary.

Specify either the percentage of trust assets (for a unitrust) or a fixed dollar amount (for an annuity trust) to be paid to ASTARA.

Specify length of payment – for life or a specified number of years.

Name the remainder beneficiaries – your children or grandchildren or beneficiaries.

Funding the trust by transferring assets to the trust.

Distributing income to ASTARA on an annual basis.

At the end of the trust term, distributing the balance of trust assets to remainder beneficiaries.

FOR MORE INFORMATION

For more information, please reach out to Reverend Matt

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TAX DEDUCTABLE

ASTARA is a 501(c)(3) nonprofit organization Tax ID: 95-1717002

Your tax-deductible gift will help us make the Ancient Wisdom accessible to all.

WE GIVE THANKS. WE GIVE THANKS. WE GIVE THANKS.
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