

# Seven Strategies for Year-End Giving

The end of the year is a time to celebrate, reflect, plan, and give. If your reflection reveals a desire to make an important difference for others, and your planning uncovers the need to minimize taxes, you can do both with a meaningful and strategic gift in support of our work and our mission.

## 1. A Gift of Cash

This traditional year-end gift is simple and straightforward. It also qualifies for a charitable income tax deduction up to 60% of your adjusted gross income. However, keep in mind that other types of gifts may provide stronger tax benefits.

## 2. A Gift of Appreciated Stock or Mutual Fund Shares

Giving appreciated stock or mutual fund shares (held for over a year) provides double tax benefits—you pay no capital gains tax on the appreciation but still qualify for an income tax deduction for the full fair market value. This is particularly beneficial if you are rebalancing your portfolio.

## 3. A Charitable Gift Annuity

This is an attractive giving option today because gift annuity rates are currently the highest they've been in 16 years! In exchange for your gift, you qualify for an immediate income tax charitable deduction and receive fixed payments that can supplement your income for the rest of your life.

Sample one-life gift annuity rates, effective January 1, 2024.

Age	70	75	80	85	90
Rate	6.3%	7.0%	8.1%	9.1%	10.1%

## 4. A Traditional Gift from Your IRA

If you are age 70½ or older, you can make a qualified charitable distribution directly from your IRA to us. The gift counts toward your required minimum distribution (RMD) if one is due, and no income tax is due on a transferred amount up to \$105,000 (annual aggregate limit).

## 5. A New IRA Gift Option

If you are age 70½ or older, you can make a one-time, tax-free distribution up to \$53,000 from your IRA to create a new charitable gift annuity (CGA) or charitable remainder trust (CRT), thereby creating an income stream for you and/or your spouse. Spouses can combine gifts from their own IRAs into a single CRT or a joint-life CGA. Income payments are taxable as ordinary income.

## 6. A Charitable Remainder Trust

A charitable remainder trust can reduce taxes by converting highly appreciated assets (e.g., stock or real estate) into a lifetime income stream. You simply transfer assets to an irrevocable trust. This removes the assets from your estate and provides an immediate federal income tax deduction for itemizers. The trustee pays you (or others you choose) a lifetime income. At death (or at the end of the stated trust term), the trustee transfers the remaining assets to us.

## 7. A Donor-Advised Fund (DAF)

If you have a DAF, you can recommend a distribution to us out of funds you have already set aside for charitable giving, so there is no impact on your current budget or spendable income. If you are considering a DAF grant to us, please let us know. We will provide helpful transfer information.

## The Benefit of Bunching Gifts

With the higher standard deduction available now, many people no longer itemize every year. However, you must itemize if you want to claim a charitable income tax deduction. Consider bunching all the gifts you would normally make over two years into this one year to make itemizing worthwhile, then taking the standard deduction next year.

## Comfortable, Flexible Gifts That Secure Our Future

At year end or any time, there are powerful ways to sustain our mission for years to come that have no impact on your current finances and can be changed if your needs or goals change. With just a few sentences, you can add a gift to your will or trust of a specific amount or asset or a percentage of your estate or trust. It is just as easy to name us as a primary, secondary, or percentage beneficiary of a life insurance policy, IRA, retirement account, or other financial account.

## Prepare for Scheduled Tax Changes

The Tax Cuts and Jobs Act of 2017 included numerous tax changes that are set to expire (or “sunset”) on December 31, 2025, if Congress doesn’t take action. These changes will likely make a significant impact on your financial and estate plans. Now is the time to review your plans, talk to your advisor, and implement any recommended adjustments. Two key areas for donors are:

1. **The sizeable reduction of the federal gift and estate tax exemption amount.** This means more estates will be subject to the federal estate tax. Charitable gifts can reduce the size of your estate, potentially reducing estate taxes.
2. **A decrease in the standard deduction amount.** This means more taxpayers will itemize their taxes and utilize deductions for charitable gifts.

We are grateful for your thoughtful consideration and support, at year end and throughout the year. Please reach out! We are happy to answer questions, supply more information, and assist you and your advisors.



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