

Seven Strategies for Year-End Giving

The end of the year lends itself to reflecting on what truly matters to you—those you've helped, what you believe in, and the legacy you're building. A charitable gift can embody your values, change lives, and offer meaningful tax and planning benefits aligned with your goals.

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 (AGI). However, keep in mind that other types of gifts may provide stronger tax benefits.

2. A Gift of Appreciated Stock

Giving appreciated stock (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 17 years! In exchange for your gift, you qualify for an immediate charitable income tax deduction and receive fixed payments that can supplement your income for the rest of your life.

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

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

4. An Outright 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 \$108,000 (annual aggregate limit).

5. A Life Income Gift from Your IRA

If you are age 70½ or older, you can make a one-time, tax-free distribution up to \$54,000 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 the 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 high standard deduction, 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, a particular 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 One Big Beautiful Bill Act permanently extends many key tax provisions, including the current income tax brackets, the higher standard deduction amount (with an additional boost to \$15,750 for 2025), and the higher estate tax exemption amount. Beginning in 2026, the new legislation will impact charitable giving in the following ways:

- **New deduction for nonitemizers.** Nonitemizers can deduct up to \$1,000 for gifts to qualified public charities (excluding donor-advised funds). A new opportunity to save!
- **New cap on deductions for top earners.** Itemizers in the 37% tax bracket will have deductions capped at 35%. Consider giving now instead of waiting.
- **New minimum giving threshold.** Itemized gifts must exceed 0.5% of your AGI before you can claim a deduction. Consider bunching gifts for multiple years into 2025 to avoid this giving floor.
- **Extended deduction limit for gifts of cash.** The 60%-of-AGI limit for cash gifts to public charities is now permanent.

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



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