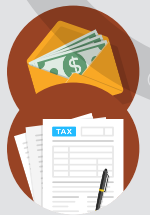
Give and receive income

You can make a gift today and also receive income from the gift for yourself and/or another person. You can choose to receive income for life or for another period of time. Through the use of flexible tools, you can make special gifts while providing for retirement, supporting parents or other loved ones or arranging funding for educational expenses or other special needs.

These plans can feature immediate income and/or capital gains tax savings. Giving in this way can be especially attractive to those who do not ordinarily itemize their tax deductions.

How a life income plan works

*This couple transfers cash or appreciated securities to establish a life income plan with their favorite charity.**



The couple receives generous payments for life (or another time period) and receives tax benefits.

The couple's favorite charity receives the gift portion.

**IRA QCDs can also be used to fund life income gifts on a limited basis. Contact us for more information.*

Making future gifts

Options for making charitable gifts as part of your estate and financial planning include the following:

Giving through your will: You may decide to make a gift of a specific amount, all or part of what remains after you have remembered family and friends or a percentage of your estate. These gifts can often be arranged with the addition of a simple codicil (amendment) to your existing will.

Giving through living trusts: Many people's estates will be distributed primarily through a trust they created during their lifetime (often referred to as a "living trust"). It is often best to include charitable gifts in the trust instead of, or in addition to, a will. Charitable gifts may be included in living trusts when they are created or can be added later with an amendment to the trust. Living trusts can also help reduce the cost and delays of estate settlement.

Giving through donor advised funds (DAFs): A donor advised fund is a great way to give, allowing you to make charitable gifts to those organizations you care about most, at the time you choose, often with expert advice and assistance. If you have a donor advised fund, have you considered what will happen to the funds in the future when you are no longer there to make decisions about disposition of funds? Designating a charity to receive a distribution from a terminating DAF or to be a beneficiary of endowment distributions is a wonderful way to make a "bequest" without affecting other estate plans.

Life insurance no longer needed for its original purpose: These policies can be a practical way to make a future gift. You may name one or more charitable interests to receive all or a portion of a life insurance policy's value at death. In some cases, income tax and estate tax benefits can result.

Gifts of retirement plan remainders: Many people have accumulated a significant portion of their assets in tax-favored retirement plans. Because individuals who inherit these plans must usually pay income tax when they withdraw the funds, it is a good idea to make charitable gifts from these sources and instead leave non-taxable assets to loved ones.

Giving bank or investment account remainders: In most states you may name a charity to receive all or a portion of what is left in an investment account. These are known as "pay on death" (POD) or "transfer on death" (TOD) arrangements. Under the terms of these provisions, you retain full control and access to the accounts during your lifetime.

Steps to take

It's important to review your beneficiaries from time to time. If you would like to make a change, most financial institutions have an online form that allows you to designate or make changes to the beneficiaries on your accounts. Typically, the information you will need is:

- **Beneficiary's name/Charity's legal name.**
- **Beneficiary's date of birth and social security number/Charity's EIN number.**
- **Beneficiary's/Charity's address and contact information.**

Coordinating your plans

You may find that one or more of these ways to give will help you meet long-term charitable goals while first providing for your own needs and those of your loved ones.

Check with your tax advisor about the amount and timing of your charitable gifts to determine what would be best for you. They can provide advice under the laws in effect at the time of your gift.

YOUR LOGO HERE
Logos can be full color.

Charlotte Smith
Development Director
1234 First St.
Memphis, TN 38109
901.234.5678
www.yourorganization.org
charlotte.smith@yourorganization.org

2024 YEAR-END GIVING GUIDE

YOUR LOGO HERE
Logos can be full color.

There can be many factors that influence your decisions about charitable giving, such as the needs of loved ones, personal financial obligations, prevailing economic conditions and a desire to make a difference in your community and world. The following information may be especially helpful as you plan your gifts this year-end.

Cash can bring tax savings

Giving cash, by check or online, is the most common way to make charitable contributions. Gifts of cash can eliminate tax on up to 60% of your adjusted gross income (AGI) each year. Any excess itemized deductions in a given year can be used to reduce your income taxes for up to five additional years.

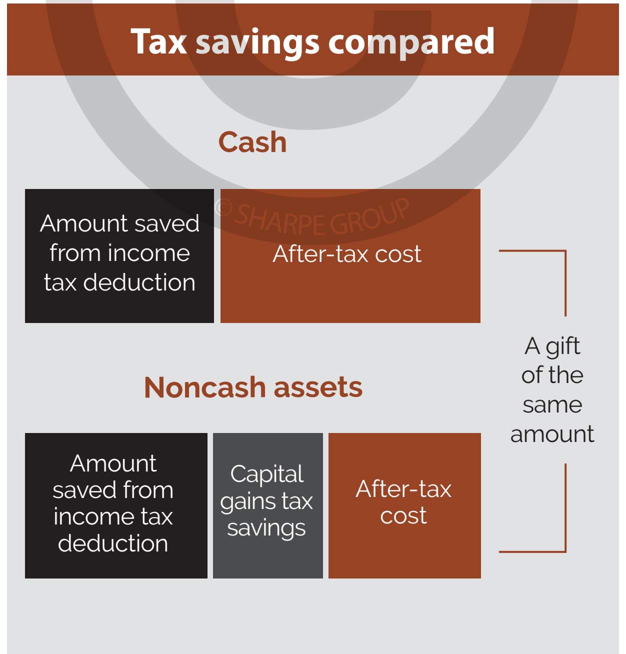
Generally, the higher your tax bracket, the greater the savings from your charitable gifts. To experience the full tax benefits of your gifts, however, your total deductions must be greater than the standard deduction amount you are allowed to subtract from your income whether or not you itemize your deductions.

When your deductible mortgage interest, allowable state taxes, charitable gifts and other deductions exceed this standard deduction, you can deduct the larger sum. Your charitable gifts will then be deductible, and you will owe no federal tax on the amount deducted.

It may be wise to increase the amount of your charitable gifts in a particular year to ensure you will continue to enjoy the benefits from itemizing your mortgage interest, state taxes and other deductible expenses. The same is true if you expect to be in a lower tax bracket in the future.

Giving securities

If you own stocks, mutual funds or other securities that have increased in value and you have owned them for more than one year, it can be smart to use them to make charitable gifts. You can claim a deduction for their full market value, not just the amount you paid, and you do not have to pay the capital gains tax that would be owed if you sold those securities and donated the proceeds.



Tax savings will depend on your income tax bracket, capital gains tax rate and other factors.

The combined savings of both regular income tax and capital gains tax can make giving securities especially attractive. Gifts of appreciated securities can boost your itemized deductions above the standard deduction amount, allowing you to also enjoy tax savings from other deductible expenses.

Gifts of appreciated securities may be deducted and eliminate tax on up to 30% of your AGI. You can claim any excess deductions for up to five future tax years.

Want to calculate your tax savings for a gift of appreciated assets?

SCAN HERE

Giving other assets

Other property that has increased in value—such as art, jewelry, antiques, cryptocurrency or real estate—can offer advantages. Whether or not a gift of such assets is tax deductible (and the amount of the deduction you may claim) depends on the type of property, its value and the way it will be used by the charity. Contact us for more information or to discuss a specific year-end gift of this type.

Gifts from retirement funds

If you have a traditional IRA and are 70½ or older, you may consider making a qualified charitable distribution (QCD) to eligible charities. You can generally make gifts in this way in any amount up to $105,000 this year.

You can also use a QCD to make a one-time election of up to $53,000 to fund a split-interest arrangement in exchange for a lifetime income. Certain restrictions apply.

QCDs are not considered part of your taxable income and can count toward any required minimum distribution for the year. This can be an excellent way to make tax-free gifts whether or not you itemize your deductions. Other tax savings may also result from giving in this way.

On your tax return

If you have made QCDs this year, there are steps to follow when filing your tax return next April:

1. You will receive a 1099-R showing your distribution. This is the amount you will enter on line 4a of your 1040 or 1040SR.

2. On line 4b, subtract the total amount of your QCDs and fill in the remainder (even if $0) and write "QCD" next to that amount. (For those who file electronically, there will be an option to select "QCD.")

If you have specific questions, check with your tax advisor.

Other possibilities

If you are 59½ or older, you may make withdrawals from retirement plans to fund your charitable gifts. You would be required to report the withdrawn funds as income on your tax return; if you itemize your deductions, you are then allowed an offsetting charitable deduction for your gift.

For those who can deduct the full amount of the withdrawal/gift, this can result in being able to use these funds without incurring unnecessary income, gift or estate taxes.

Finding the best ways to give