

you expect to be in a lower tax bracket in the future. Check with your tax advisor when considering the amount and timing of your charitable gifts.

Some gift plans can offer a way to increase income from low-yielding assets without incurring capital gains tax at the time of the gift. Because the assets used to fund these gifts will ultimately be used for charitable purposes, they are generally not subject to gift or estate taxes.

Currently, very few estates will be subject to estate tax. In cases where estates will be subject to tax, all charitable gifts from the estate remain fully deductible.

Giving through your estate

In addition to current gifts, you may want to consider structuring gifts that will be received in the future as part of your financial and estate plans.

Giving through a will. You may decide to make a gift of a specific amount, a percentage of your estate or what remains after you have remembered family and

friends. These gifts can often be arranged with the addition of a simple codicil (amendment) to your existing will.

Giving through living trusts. When an estate will largely be distributed through 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 provide for future distribution of assets, and they may include arrangements for management of your affairs (including making your charitable gifts) if you are unable to do so yourself. They can also help reduce the cost and delays of estate settlement.

Giving the proceeds of a life insurance policy. You may name one or more charities 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.

Giving through retirement plans. People who inherit retirement plans must usually pay income tax when they withdraw the funds. You may want to consider leaving the proceeds of your retirement plan to charity and leaving other assets to heirs.

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.

An important detail

Charities may sometimes share the same or very similar names, and they may possibly be in the same city or state. When including a charity in your estate plan, it is important to correctly identify the intended recipient. We are happy to provide our correct legal name, our street address, tax ID and any other information you or your advisors may require.

Learn more

We hope the ideas in this publication are helpful as you consider how you can continue your support while making the most tax-wise choices.

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The purpose of this publication is solely educational, namely to provide general gift, estate, financial planning and related information. It is not intended as legal, accounting or other professional advice, and you should not rely on it as such. For assistance in planning charitable gifts with tax and other implications, the services of appropriate and qualified advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Consult a tax and/or accounting specialist for advice regarding tax- and accounting-related matters. © Copyright MMXXVI by Sharpe Group. All Rights Reserved. AGTCG-26



A GUIDE TO CHARITABLE GIVING



SCAN HERE

This code provides additional information to assist you in your planning or to share with your advisors.

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Logos can be full color.



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Each year, millions of Americans give generously to support their charitable interests. Outlined here are a number of popular gift options along with information on how to incorporate them into your plans.

The simple benefits of giving cash

There is a new charitable deduction for cash gifts from non-itemizers (\$1,000 for single filers and \$2,000 for married couples filing jointly).^{*} For those who will continue to itemize, gifts of cash generally remain deductible up to 60% of adjusted gross income (AGI), though there are some new adjustments that may reduce your overall tax savings. Amounts in excess of allowable annual limits can be used to reduce your income taxes for up to five additional years.

Noncash gifts yield greater savings

If you own stocks, bonds or mutual funds that have increased in value and you have owned them for more than one year, you can use them to make charitable gifts. You receive two benefits: an itemized deduction for the full fair market value of donated securities (not just the cost), and you avoid capital gains tax you would owe if you sold the securities.

Giving 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 eliminate tax on up to 30% of your AGI and can be carried over up to five future tax years.

^{*}Gifts to donor advised funds do not qualify.

Giving other noncash assets

Other property that has increased in value—such as art, jewelry, antiques, cryptocurrency or real estate—makes an excellent gift. The type of property, its value and the way it will be used by the charity determines whether or not a gift of such assets is tax-deductible (and the amount of the deduction you may claim). Check with us or your advisors for more information.

Making gifts from retirement funds

If you are required to withdraw funds annually from your individual retirement account (IRA) or other retirement plan, you may find that making gifts from the withdrawn funds can be a good way to minimize, or even eliminate, taxes on the withdrawal.

Those who are 70½ or older with a traditional IRA can make tax-free gifts, called qualified charitable distributions (QCDs), of up to \$111,000 per year directly to a qualified charity. The amount you give can count toward any annual required minimum distribution and will not be considered income to you. In 2026, QCDs of up to \$55,000 may be given via split-interest gifts by a one-time election.

QCDs are especially attractive if you do not itemize your tax deductions or you would like to avoid having your Social Security and other income taxed at a higher rate. Contact your IRA administrator for the forms necessary to make a QCD.

If you are age 59½ or older, you can make withdrawals from retirement plans to fund your charitable gifts. You would be required to report the withdrawal as income on your tax return. If you

itemize your deductions, you are then allowed an offsetting charitable deduction for your gift.

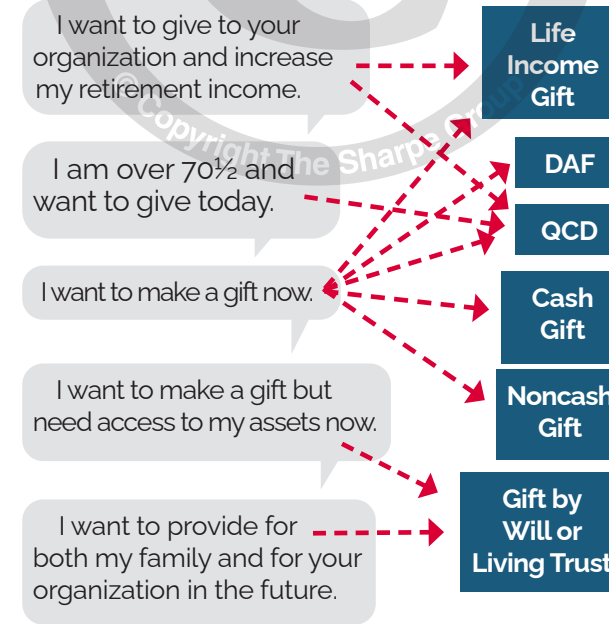
For those who can deduct the full amount of the withdrawal/gift, this allows you to make use of the funds without incurring unnecessary income, gift or estate taxes.

A life insurance policy gift

Life insurance policies are a good option for making charitable gifts. For example, if a policy is no longer needed by loved ones or is no longer required to cover estate taxes, consider using the policy to make a charitable gift.

The advantages of giving life insurance policies depend on the policy's value, form of ownership and other factors.

Finding the best ways to give



Giving for income

Through the use of special planning tools, you can make 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. And a large percentage of payments may be received tax-free or taxed at lower rates than other sources of income.

Strategies to maximize your tax savings

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 itemized deductions must total more 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 the 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 boost the amount of your charitable gifts in some years to ensure you continue to enjoy the benefits from itemizing your mortgage interest, state taxes and other deductible expenses. The same is true if

^{*}Taxpayers with higher incomes may be affected by slight adjustments.