

INTRODUCTION TO PLANNED CHARITABLE GIVING

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Planned Giving Strategies

IRAs

Your IRA can be your legacy. For many individuals, an IRA represents the most heavily taxed asset they will pass to their heirs. However, there is no tax when it is used as a gift to charity. If you are 70 ½ or older, you can transfer up to \$100,000 each year directly from your IRA to charity and not recognize it as income. It also counts toward your minimum required annual distribution.

Stock

With a gift of appreciated securities, you can make a significant gift, receive an immediate income tax deduction and pay no capital gains tax.

Charitable Gift Annuities

You can make a gift and receive fixed payments for life that is backed by the charitable organization issuing the annuity, along with a charitable tax deduction. Payments may be much higher than your return on low-earning securities or CDs.

Charitable Remainder and Lead Trusts

You greatly reduce or avoid possible gift and estate tax on trust assets passing to family if some trust income goes to charity for a few years. It is a great way to make a gift, receive payments that may increase over time and defer or eliminate capital gains tax.

Donor-Advised Funds

You can bundle multiple years of giving into one tax year to receive a larger charitable deduction and still maintain control of those charitable dollars when giving to a donor-advised fund. Each year, you can then make gifts from your donor-advised fund to support United Church Homes residents and initiatives.

Bunching

Take maximum advantage of the increased standard deduction, plus itemized deductions, on your income taxes by shifting your giving to be in January and December. This results in two years' worth of giving being reported in a single tax year.

Gifts by Will of Trust

Make your mark on the future with a gift that costs you nothing during your lifetime. It takes a simple designation in your will and won't affect your cash flow. It's easy to revoke if your situation changes.

Gifts by Beneficiary Designations

Want to be remembered? All it takes is a simple signature on your bank, life insurance or retirement plan beneficiary designation form. Have a cash value life insurance policy that you no longer need? You can gift this policy to United Church Homes.

Retirement Funds

Retirement funds paid to your children at your passing can get hit with heavy income and/or inheritance taxes but are tax-free to charity.

\$592.50 billion

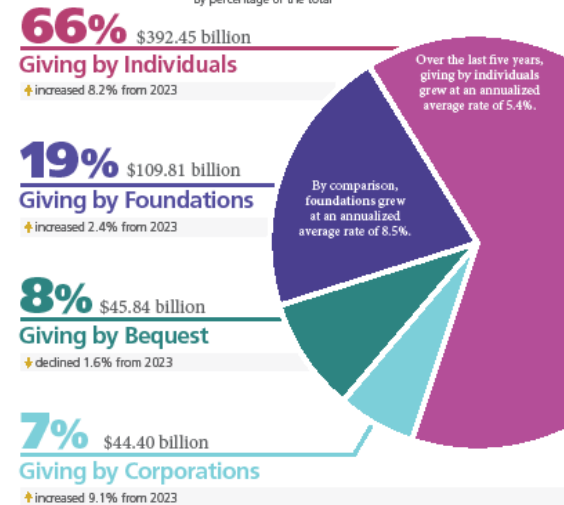
In 2024, Americans gave \$592.50 billion to charity, growing 6.3% over 2023. When adjusted for inflation, total giving grew by 3.3%.

Donor-advised funds are among the fastest growing forms of giving. Learn more about where grants from DAFs go in the chapter on donor-advised funds.

Four of nine subsectors reached their all time high in 2024, even when adjusted for inflation: education; health; arts, culture, and humanities; and environment/animals.

Where did the generosity come from?

Contributions by source
By percentage of the total

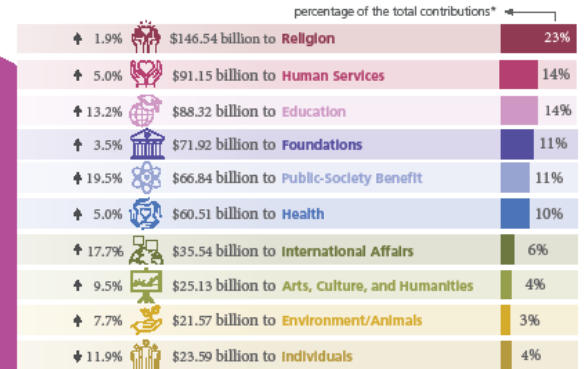


*All figures on this infographic are reported in current dollars unless otherwise noted. The inflation rate in 2024 stood at 2.9%, and results may differ when adjusted for inflation. Learn more in the chapters.

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Where did the charitable dollars go?

Contributions by destination
percentage of the total contributions*



*Percentages for recipient categories are calculated using the sum of recipients, which can differ from total giving for any given year. This difference is called unallocated giving, and totaled \$38.60 billion in 2024.

Giving USA Foundation™, The Giving Institute, and the Indiana University Lilly Family School of Philanthropy are pleased to continue their partnership in providing the most comprehensive, longest-running, and most rigorously researched resource on U.S. charitable giving. Giving USA: The Annual Report on Philanthropy. It is a privilege to report on Americans' generosity and related historical trends on U.S. charitable giving.



Visit givingusa.org

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One redeeming feature in the 2025 Reconciliation Bill (BBB) is beginning in 2026, individuals can take a take deduction for charitable gifts as non-itemizers up to \$1,000/person or \$2,000/couple

YOUR WILL, YOUR WAY

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LEGAL NOTICES

- **General Legal Disclaimer:** Legal and financial advice are case specific. The contents of this communication are general and informational in nature, and they are not intended to recommend a particular course of action for you. You should seek the advice of your own legal or tax counsel before taking any action based on the contents of this communication.

KEY POINTS

A Roadmap for Today

- Introduction to estate planning
- A starting point:
 - Advanced care directives
 - POAs
- Wills and probate
- Revocable trusts and probate Avoidance
- Intro to basic planning techniques
- Other estate planning considerations

Consider This...

"Your estate plan is the single greatest financial impact you can have on your family and the largest financial transfer you will ever control. Planning for this transfer can be profoundly liberating and positive when it breathes life and possibility into the future."

- Dr. Eddie Thompson

Founder & CEO, Thompson & Associates

ESTATE ASSETS

- Real Property
 - Home
 - Farmland
 - Vacation property
 - Timeshares, etc.
- Business and Investment Interests
 - Pensions/IRAs
 - 401(k)/403(b)
 - Stocks
 - Bonds
 - Bank accounts
 - Closely-held stock, etc.
- Tangible Personal Property
 - Automobiles
 - Artwork
 - Family heirlooms, etc.
- Life Insurance - at FULL FACE VALUE!

What is your estate worth?

Two common mistakes people make:

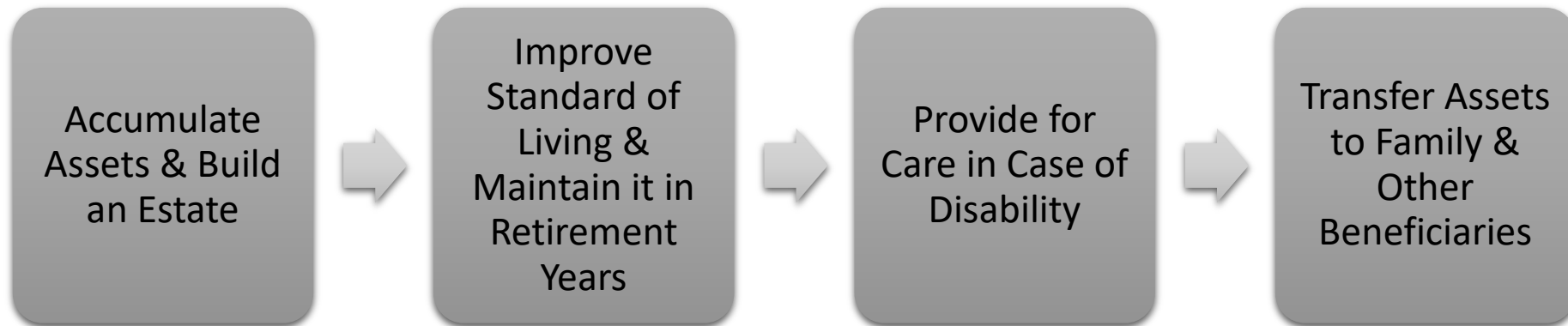
- Understanding how large their estates really are; and,
- Failing to account for growth.

Have you taken a realistic view of your estate?

Good planning starts with setting goals!



COMMON ESTATE PLANNING GOALS

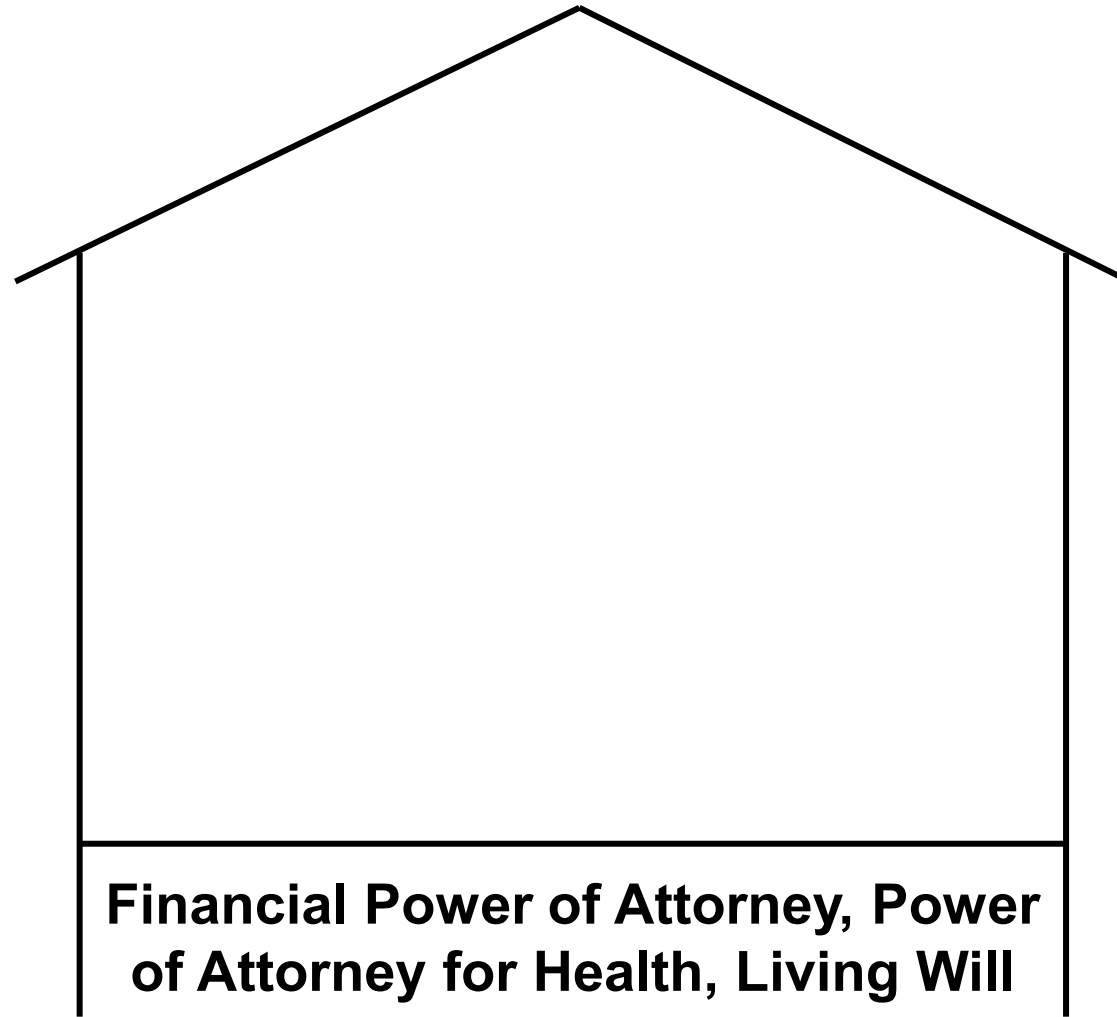


SEVERAL ISSUES THREATEN YOUR GOALS

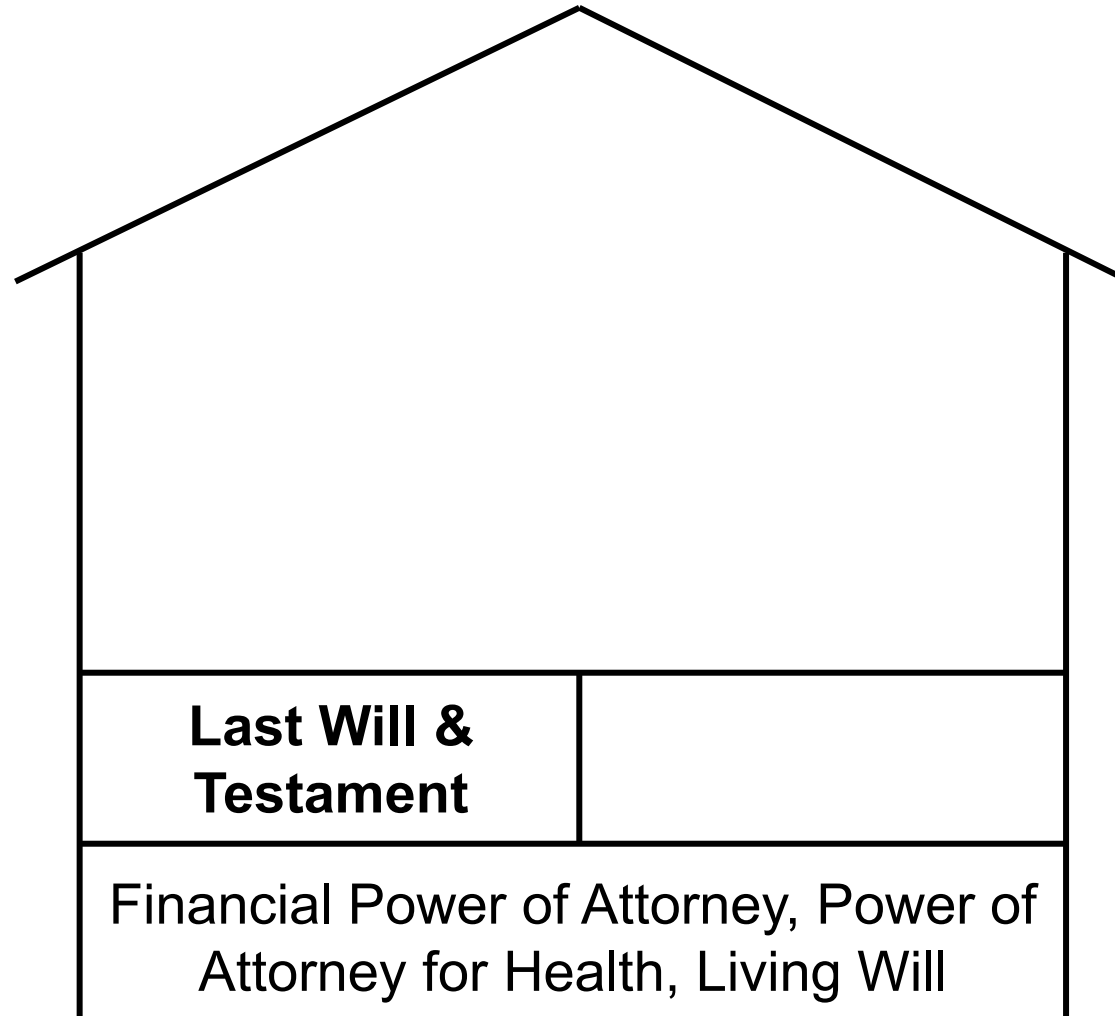


- Poor health and long-term care
- Probate
- Taxes
- Tax law changes
- Mismanagement

THE FOUNDATION – POAS & LIVING WILL



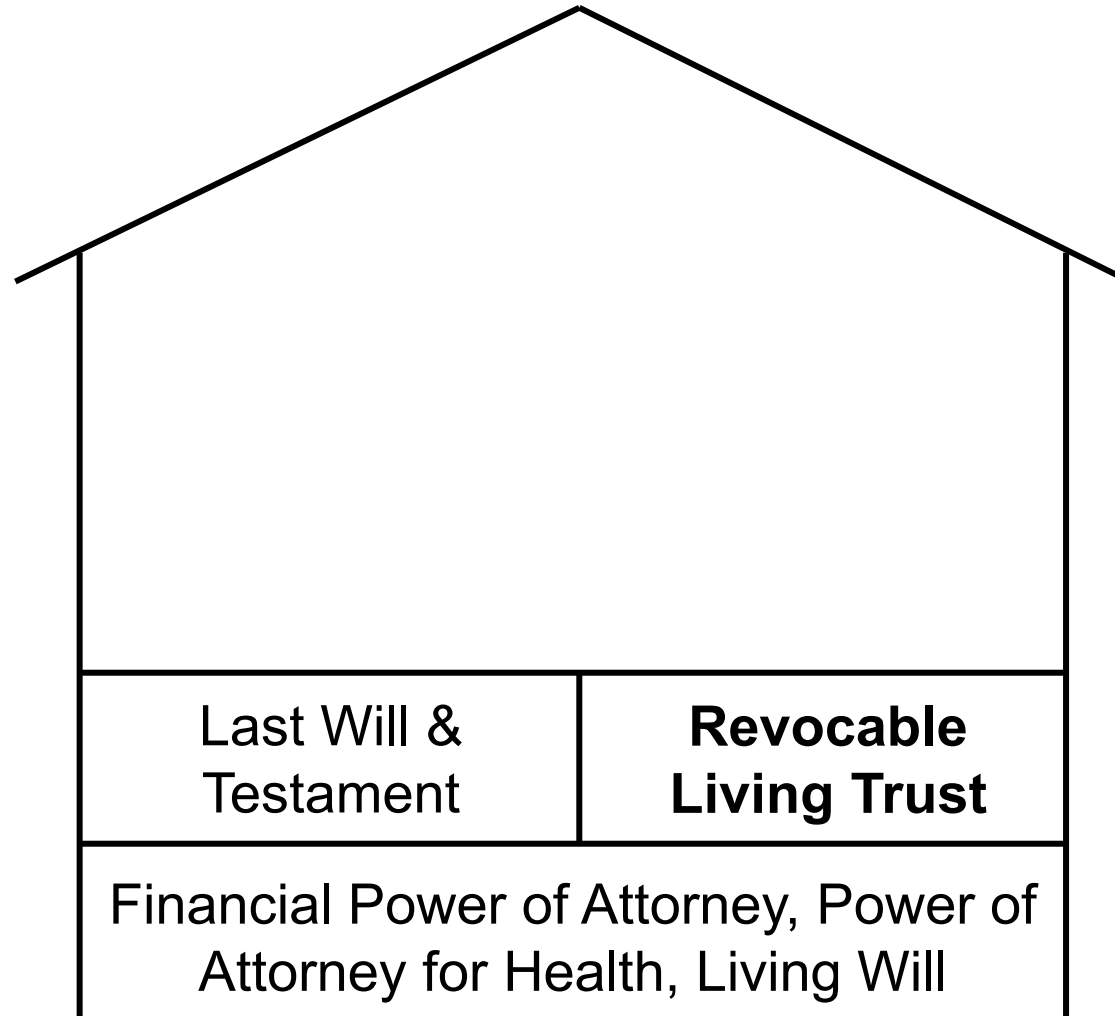
BASIC STRUCTURE: LAST WILL & TESTAMENT



METHODS OF AVOIDING PROBATE

- Beneficiary designations
- Payable On Death (P.O.D.) accounts
- Gifting
- Joint tenancy or tenancy by the entirety
- Living trusts

BASIC STRUCTURE: REVOCABLE TRUSTS



BENEFITS OF A REVOCABLE TRUST

- Management of assets
- Privacy
- Minimizes possibility of will contest
- Avoids probate in all states



WHAT ABOUT TAXES?



***If my estate owes \$0 estate tax,
why should I worry about an estate plan?***



RESERVED

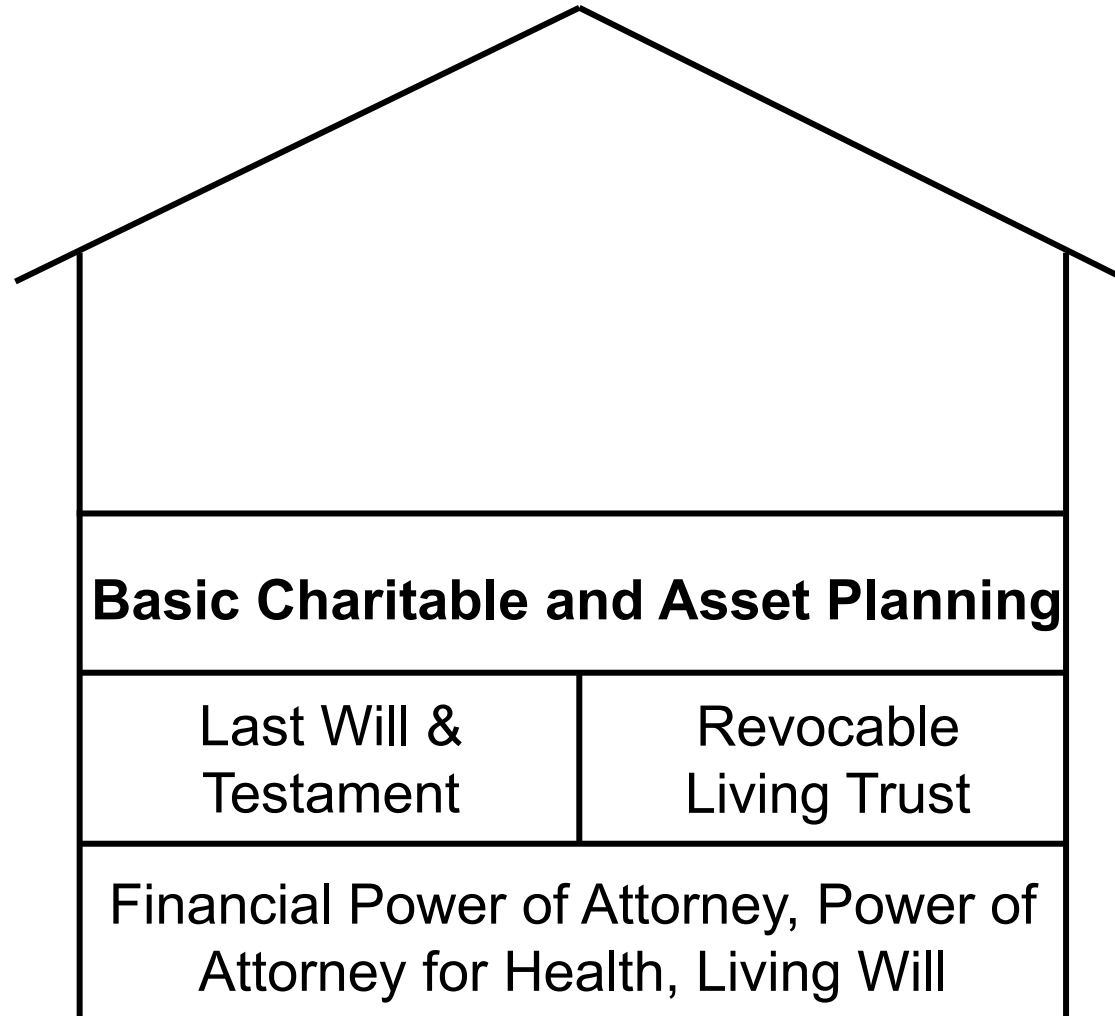


TAXES A PLANNER MUST CONSIDER

- Estate Tax
- Gift Tax
- Inheritance Tax
- Income Tax
- Capital Gains Tax
- Generation-Skipping Tax



BASIC STRUCTURE: CHARITABLE & ASSET PLANNING



THE 3 BUCKETS

There are 3 places your estate can go...



Heirs



Government



Charity

WHAT YOU MIGHT THINK YOUR ESTATE PLAN LOOKS LIKE



100%
to Heirs



0%
to Government



0%
to Charity

WHAT YOU MIGHT THINK YOUR ESTATE PLAN LOOKS LIKE



70%
to Heirs

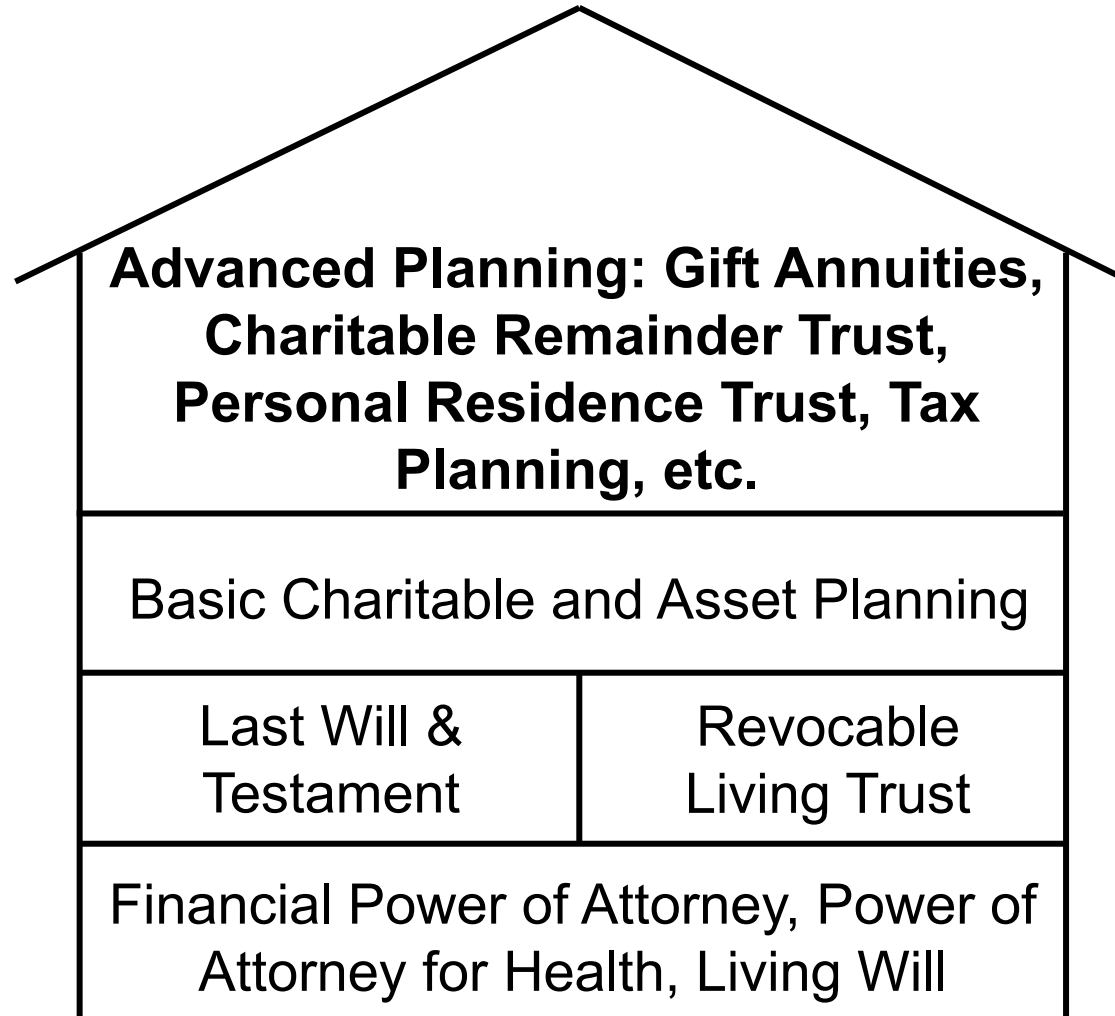


30%
to Government



0%
to Charity

BASIC STRUCTURE: CHARITABLE & ASSET PLANNING



Estate Planning Inventory

- Estate planning documents
- Deeds and titles
- Insurance policies
- Bank and investment accounts
- Professional advisors contact info
- Usernames and passwords*

LETTERS TO LOVED ONES

1. Your deepest feelings for the person to whom you are writing this letter
2. Why your family is so important to you
3. What your hopes and dreams are for them
4. Your life's passion
5. The events, experiences or people that have shaped you
6. An important life lesson you want to pass on to those you love
7. When your eulogy is given, what do you hope they say about you?
8. Principles you tried to live by in your life
9. Charities you would give to, if you had a million dollars to give away
10. A word of warning you would pass on to your loved ones
11. An achievement in your life of which you are especially proud
12. Someone who had a powerful influence on your life
13. What have you learned about money and things?
14. What are three words that describe you?
15. What is the most important advice you would give to those you love?

NEXT STEPS

- Don't procrastinate... set a date to meet with your local advisors!
- Start with your values and goals
- Carefully consider the needs of:
 - Your heirs
 - Your favorite charities



**“Anyone can count the number of seeds in an apple;
no one can count the number of apples in a seed. So it
is with our legacy!”**

- Robert H. Schuller