

# YEAR- END GIVING GUIDE

*Smart solutions  
to grow your  
charitable impact*



AKRON  
COMMUNITY  
FOUNDATION

ENRICHING LIVES SINCE 1955



# FIVE STRATEGIC TIPS TO ENHANCE YEAR-END GIVING

1

## Donate Your IRA Assets

If you are 73 or older and haven't yet taken your required minimum distribution for 2023, you can donate up to \$100,000 tax-free to charity and avoid paying taxes on the income.



2

## Start a Charitable Gift Annuity

You'll receive a fixed income stream for life in exchange for making a single gift to charity now. Plus, new laws allow you to create a charitable gift annuity with a one-time, tax-free transfer of up to \$50,000 from your IRA.



*Not all nonprofits offer CGAs, but Akron Community Foundation does.*

3

## Gift a Life Insurance Policy

Work with your advisor to transfer the ownership of a life insurance policy you no longer need to charity. You'll receive a tax deduction for the annual premium payments and can make a large future gift at a small cost now.



4

## Leverage Appreciated Stock

Donating highly appreciated stock directly to charity gives you a double benefit: You receive a deduction for the fair market value and also eliminate capital gains taxes. With early planning, business owners can also offset taxes from the sale of a privately held company by donating a portion of the interests to charity.



5

## Create a Family Fund

Gather your children or grandchildren together around the holidays to discuss your year-end giving plans and family values. Our team at The Center for Family Philanthropy can help you create a charitable fund to carry on your family's legacy for future generations. Learn more at [akroncf.org/fundtypes](https://akroncf.org/fundtypes).



\$278 million in assets

68 years of experience

830+ charitable funds



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[akroncf.org](https://akroncf.org)

# AMPLIFY YOUR IMPACT WITH A GIFT OF LIFE INSURANCE

Giftng a life insurance policy is a simple and impactful way to support your favorite causes and charities. Whether you choose to donate a new or existing policy, you can magnify your future impact while receiving valuable tax benefits today. Our experienced team can help you determine which of these giving options is right for you.

1

## Transfer Ownership of a New Policy

If you're in good health and have historically supported a particular charity, you can obtain a new life insurance policy and make the charity the owner and beneficiary. Your annual gifts to cover the premium are tax deductible now, and then after your lifetime the charity will receive a sum much greater than the premiums you paid.

2

## Transfer Ownership of an Existing Policy

Have a life insurance policy you no longer need? Transfer the ownership to a nonprofit for a charitable deduction! If the charity keeps the policy, you'll make tax-deductible gifts to cover the premium, and the charity will receive the full benefit after your lifetime. If the charity cashes in the policy, you'll get a tax deduction equal to the cash value after a qualified appraisal.

3

## Donate a Paid-Up Policy

Get an immediate tax deduction for the current value of an existing paid-up policy when you transfer the ownership to charity. Or, you can purchase a new policy with a lump-sum payment, transfer the ownership to a nonprofit, and take a charitable deduction for the value of the premium payment.



4

## Name a Charity as a Beneficiary

If you want to retain ownership of your policy but still leave a future gift to charity, you can name the charity as a primary or secondary beneficiary. Simply complete a change of beneficiary form and submit it to your insurance company.



5

## Grow Your Charitable Fund

Consider using one of these life insurance gift options to establish or grow your charitable fund at Akron Community Foundation. Your fund will continue giving back in your name forever, and you'll enjoy the benefits of joining our Edwin C. Shaw Society for legacy donors. Learn more at [akroncf.org/plannedgiving](http://akroncf.org/plannedgiving).

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# THE IMPACT OF SECURE 2.0 ON CHARITABLE GIVING

Recently enacted legislation known as the SECURE 2.0 Act includes many provisions that make it easier for people to build their retirement savings and donate their hard-earned assets to the causes they care about. Here are the top three provisions charitable people should know about.

## Age for Required Minimum Distributions Increased to 73

This provision is a boost to those required to take distributions from tax-deferred retirement accounts and may mean more dollars available for charitable giving. Keep in mind that you can still begin making qualified charitable distributions (QCDs) at age 70 ½.

## QCD Cap Indexed for Inflation

Beginning in 2024, the \$100,000 per person cap will be indexed for inflation, meaning you'll be able to give even more from your IRA directly to charity, further reducing your taxable income each year.

## "Legacy IRA" Provisions Make QCDs Even More Attractive

Now, individuals over the age of 70 ½ have a once-in-a-lifetime opportunity to make a QCD transfer of up to \$50,000, adjusted annually for inflation, to a charitable gift annuity (CGA).

Spouses can transfer up to \$50,000 from each of their respective IRAs to one joint-life charitable gift annuity for a total of \$100,000.

## What is a Qualified Charitable Distribution?

This savvy planning technique allows you to make tax-free transfers from your IRA directly to charity once you reach the age of 70 ½. It's a win/win/win – you can reduce your taxable income, your heirs can receive more favorable assets like appreciated stock, and your favorite charity receives a sizable gift.

### Not sure how a CGA works?

1. Establish your CGA with a distribution from your IRA to Akron Community Foundation.
2. Receive a lifetime stream of income through the foundation.
3. Establish or support an endowment fund in your name with the assets that remain after your lifetime.

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# TAKE ADVANTAGE OF YOUR IRA

## Create a Charitable Fund With Your RMD



### DECEMBER 31 DEADLINE APPROACHING!

If you're 73 or older and haven't yet taken your required minimum distribution (RMD), consider making a distribution directly to charity.

A qualified charitable distribution (QCD) allows you to avoid paying income taxes on the distribution while supporting the causes you care about.



You gain the equivalent of a dollar-for-dollar charitable contribution deduction on this year's tax return.

These tax-free distributions can be up to \$100,000 per person annually – or up to \$200,000 for a married couple – with the limit adjusted each year for inflation.

Gifts of IRA assets are especially advantageous for seniors who can no longer itemize their charitable gifts under the current tax law.

### IMPORTANT REMINDERS

Donors cannot deposit their distribution and then write a check to charity – it must be made directly from the trustee of the IRA to the charitable organization.

QCDs can support any public charity, including Akron Community Foundation.

Though QCDs cannot support Donor-Advised Funds, they CAN support or create:

- ✓ Designated Funds
- ✓ Scholarship Funds
- ✓ Field-of-Interest Funds

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# IS A DONOR-ADVISED FUND RIGHT FOR YOU?

*The Answer May Be Yes If You:*

## 1 Want Maximum Flexibility

Want maximum flexibility to give to multiple charities or change beneficiaries as needed.

## 2 Wish to Involve Your Family

Wish to involve your spouse, children or grandchildren in your philanthropy.

## 3 Prefer to Build Your Fund Over Time

Prefer to grow your fund to the \$5,000 minimum balance over three years with a donor-advised starter fund.

## 4 Had an Exceptionally High-Income Year

Have had an exceptionally high-income year in which you need immediate charitable tax benefits, but you prefer to decide which charities to support over time.

## 5 Want to Alleviate the Burden of Fund Management

Would like someone else to handle the administrative work while you focus on your charitable impact.



## How a *Donor-Advised Fund* Works

### GIVE

to your fund and receive a tax deduction



### GROW

your charitable assets today and tomorrow



### GRANT

to the causes you care about most



Contact your advisor to learn if a donor-advised fund is right for you. Or, for more information, visit [akroncf.org/DAF](http://akroncf.org/DAF) or contact Laura Lederer at Akron Community Foundation at 330-436-5611 or [llederer@akroncf.org](mailto:llederer@akroncf.org).

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