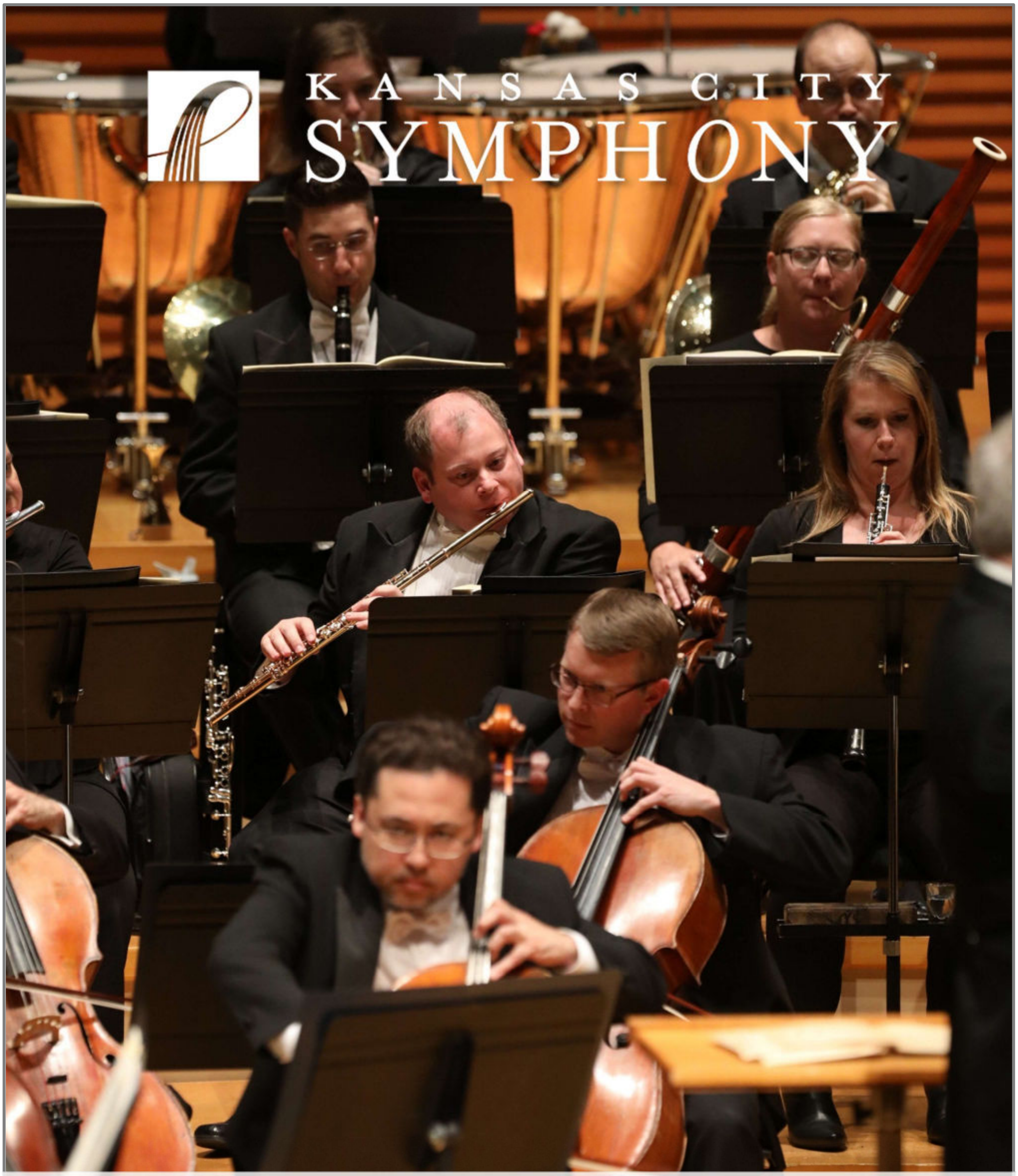


GIFT PLANNING STRATEGIES

SIMPLE WAYS TO INCREASE THE IMPACT OF YOUR CHARITABLE GIVING AND SAVE ON TAXES

GIVING STRATEGIES THAT HELP YOU NOW

Give directly from your IRA with a Qualified Charitable Distribution

Are you at least 72? Then you're legally required to withdraw a specific amount from your traditional IRA each year. This is called a Required Minimum Distribution (RMD). The amount is adjusted annually. If you don't withdraw it, the IRS imposes a 50% penalty on the funds you've left in. And once you've received that money, it's taxable as income.

Enter the Qualified Charitable Distribution (QCD). A QCD is a gift you make directly from your traditional IRA to a charity you care about. Here's how it works:

- You contact your IRA custodian to direct one or more QCDs to eligible charities. You can use QCDs to give up to $100,000 to charity tax-free each year.
- Your QCDs reduce the amount you have to withdraw from your IRA annually (your RMD).
- A lower RMD means less taxable income and lower taxes, whether you itemize or not.

<u>If you're at least 72 and have a traditional IRA, a QCD may be the best way for you to give.</u>

** If you have a 401k or other qualified retirement plan, you must roll it into an IRA before you can make a QCD. QCDs may not be made to a Donor Advised Fund.*

Donate appreciated stock

Do you own shares of publicly traded stock? Has the stock grown in value? **You may be able to save more on taxes by donating shares of stock instead of cash.**

When you give cash, you get an income tax deduction. **When you give appreciated stock, you get an income tax deduction AND you eliminate capital gains tax.** Plus, gifts of stock don't impact your everyday finances, so you may be able to give more than you think.

A tax or financial advisor can help you decide whether a gift of stock makes sense and which shares might be the best to give. When you're ready to give stock, call the charity for their transfer instructions. Some (like the Symphony) have those instructions on their websites.

Set up a Donor Advised Fund

Donor Advised Funds (DAFs) are charitable giving accounts held by umbrella organizations like Fidelity, Vanguard, or the Greater Kansas City Community Foundation. **DAFs are simple to set up and offer a lot of flexibility when it comes to your giving.** Here's how they work:

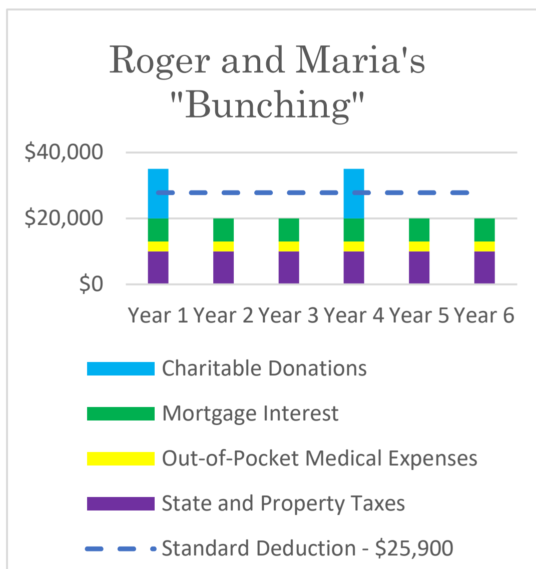
- You establish a DAF with an initial contribution then make additional gifts over time. Some can be opened entirely online and have no minimum first gift or balance requirements.
- You contribute cash, stock, or even real estate to your DAF — everything you give is tax-deductible. The money in your DAF is invested so your giving can grow over time.
- You recommend grants to charities you care about from your DAF when it works for you. The grants can be large or small, many or few.
- If you do all your giving through your DAF, you only have to worry about one tax receipt every year, and you could save on taxes (see below).

"Bunch" your charitable contributions

When you "bunch" your contributions, **you make multiple years of gifts at once, surpassing the Standard Deduction, itemizing and saving money on taxes.** Here's how it works:

Roger and Maria are 66 years old. They give $5,000 to charity each year, splitting their support between a church, a hospital, and their local symphony. They also pay $20,000 a year in out-of-pocket medical expenses, property and state income taxes, and mortgage interest. The 2022 Standard Deduction for a married couple over 65 filing jointly is $25,900. With only $25,000 in qualified deductions, Roger and Maria cannot itemize.

Roger and Maria decide to "bunch" their gifts so they can itemize and pay less in taxes. They give $15,000 to their church, the hospital, and local symphony in 2022 to cover three years of contributions. Together with their $20,000 in other deductible expenses, they now have $35,000 in deductions — enough to itemize and reduce their income by an additional $9,200 beyond the Standard Deduction every three years.



"Bunching" is a great strategy if you have a Donor Advised Fund or you are younger than 72.

Leave your IRA or other tax-deferred retirement account to charity

With the Lifetime Estate Tax and Gift Tax Exemption at an all-time high of $11.7 million, most families no longer have to worry about the estate tax.

But if your children, grandchildren or other loved ones inherit your tax-deferred IRA or 401(k), they will have to pay ordinary income tax on that inheritance.

This is why your IRA or 401(k) is one of the first assets you should consider leaving to charity. When you designate one or more charities as the beneficiaries of your IRA or 401(k), you can ensure every dollar goes to organizations you and your loved ones care about, not the IRS.

You can often name charities as beneficiaries of your IRA or 401(k) in a matter of minutes without the added expense of an attorney. Login to your account online or contact your IRA custodian or retirement plan administrator to learn more about beneficiary designations.

Include gifts to charities you care about in your will or trust

Gifts in wills and trusts are simple, flexible and easy to implement. This is why they are some of the most common gifts people make to support charities after their lifetimes.

To include gifts to charities in your will or trust, your attorney just needs to add some simple language. And if something changes, your attorney can always update or revise your gifts to match your circumstances. Gifts in your will or trust give you the flexibility to:

- Take care of family first, then set something aside for charity.
- Leave a specific dollar amount, percentage of your estate, remainder of your estate or piece of property to one or more charities that matter to you.
- Specify the purpose you want your gift to serve — like supporting research at a hospital, a scholarship at a university, or education programs at an arts organization.
- Create recognition for yourself, your family or a loved one.