

# SMART SOLUTIONS

*For Year-End Giving*



*Grow Your Charitable Impact*



AKRON  
COMMUNITY  
FOUNDATION  
ENRICHING LIVES SINCE 1955

# FIVE STRATEGIC TIPS

*To Enhance Your Year-End Giving*

1

## DONATE YOUR IRA ASSETS



If you are 72 or older and haven't yet taken your required minimum distribution for 2022, 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 one-time gift to charity. Annuity rates increased in 2022, which means you may be eligible for higher annual payments.



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

3

## GIVE IN SOMEONE'S HONOR



In lieu of a holiday gift, donate in honor of a friend, family member or colleague. You can show them you care while making a lasting difference in the community.

4

## ENGAGE THE NEXT GENERATION



Gather your children or grandchildren together around the holidays to discuss your year-end giving plans and family values. Need help sparking the conversation? Reach out to The Center for Family Philanthropy at [www.akroncf.org/CFP](http://www.akroncf.org/CFP).

5

## BUNCH YOUR GIFTS IN A CHARITABLE FUND



By consolidating multiple years of donations into a single tax year, you can exceed the standard deduction threshold and claim your full tax deduction now, while spreading out grants to your favorite charities over time. Learn more about your charitable fund options at [www.akroncf.org/FundTypes](http://www.akroncf.org/FundTypes).



# MAXIMIZE YOUR TAX SAVINGS

## *With Gifts of Stock*

Despite this year's market volatility, many taxpayers are still looking for a way to increase deductions and reduce their tax burden for 2022. Our experienced team can help you lower your tax liability and preserve more of your hard-earned money for your charitable goals.



LOSSES

+



CHARITY

=



REDUCED  
TAX  
BURDEN

If you own stock with unrealized losses, consider using **tax-loss harvesting** to turn the loss into a win for both your portfolio and for charity.

By selling the stock at a loss and donating the proceeds to charity, you can offset other realized capital gains and **reduce your overall tax burden.**

Capital losses that exceed capital gains can also be used to **offset up to \$3,000 in ordinary taxable income** per year and can be carried forward indefinitely\*.

For investors who do have highly **appreciated stock**, donating the shares directly to charity gives you a double benefit: You receive a deduction for the fair market value and also **eliminate capital gains taxes.**



For the **greatest impact**, donate appreciated shares with a **low cost basis.**

You can then repurchase the same number of shares with **cash**



to **reset your cost basis** without recognizing the capital gain.

\*Keep in mind that all sales transactions must be completed by Dec. 31 for the 2022 tax year and investors cannot repurchase stock sold for a loss within 30 days.



# THE IMPACT OF THE SECURE ACT

## *On Charitable Giving*

### STRETCH IRA ELIMINATED



Under the SECURE Act, non-spousal IRA beneficiaries can no longer stretch the distributions of an inherited IRA over their life expectancy. Now, distributions must be completed within 10 years.

### POTENTIAL TAX BURDEN



Because IRA distributions are taxable income, this could create a significant tax burden for your beneficiaries.

### CONSIDER GIFT FROM IRA



Instead, consider gifting your IRA assets to charity tax-free and leaving more favorable assets—such as appreciated stock—to your heirs. IRA distributions can be used to create a designated fund that will support your favorite causes in perpetuity.

### ANOTHER SOLUTION



You can also achieve the benefits of a stretch IRA with a charitable remainder trust.

### LIFETIME STREAM OF INCOME



By naming the trust as the beneficiary of your IRA, you can guarantee a lifetime stream of income for your heirs and leave the remaining assets to charity.

### INCREASED FLEXIBILITY



The charitable beneficiary can even be your own donor-advised fund, giving your family increased flexibility for how the charitable assets are spent in the future.

### KEEPING AN EYE ON SECURE 2.0

New retirement reform legislation known as the SECURE Act 2.0 is expected to become law by the end of 2022. It proposes several charitable giving enhancements, including adjusting the annual \$100,000 qualified charitable distribution cap for inflation and allowing a one-time \$50,000 QCD to a charitable remainder trust or other split-interest gift. Read the latest updates at [www.akroncf.org/advisornews](http://www.akroncf.org/advisornews).





# TAKE ADVANTAGE OF YOUR IRA

*ACF Makes Donating Retirement Assets Easy*

The deadline for a required minimum distribution is **quickly approaching!**



If you are 72 or older and haven't yet taken your required minimum distribution, consider using it to support your favorite charities.

By making distributions **from your IRA directly to charity,**



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

Qualified charitable distributions allow donors to

**avoid paying income taxes**



on the distributions

while supporting deserving causes in the community.



These tax-free distributions can be large or small — from \$100 to \$100,000.

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

## IMPORTANT REMINDERS

Distributions must be made **directly**

from the trustee of the IRA



to charity

Donors cannot deposit the distribution and then write a check to charity.

Qualified charitable distributions

can support



**any**

**public charity,**

including Akron Community Foundation



**Qualified charitable distributions**

⊘ cannot support Donor-Advised Funds



**They CAN support or create**

- ✓ Designated Funds
- ✓ Scholarship Funds
- ✓ Agency Endowment Funds
- ✓ Field-of-Interest Funds (in the donor's area of interest)



# 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 over time.



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, contact **Laura Lederer at Akron Community Foundation at 330-436-5611 or [llederer@akroncf.org](mailto:llederer@akroncf.org).**

