

COMMUNITY GIVING FOUNDATION'S

PROFESSIONAL ADVISOR



NEWSLETTER

csgiving.org/professional-advisors

Reasons to celebrate, a charitable solution for inherited IRAs, and mini case studies.

Hello from the [Community Giving Foundation](https://csgiving.org) and happy October! It's hard to believe that the fourth quarter is upon us. We look forward to working with you and your clients as you set in motion charitable giving plans with an eye toward that end-of-year deadline. Here's what's trending in our world:

- There's already a lot going on in October, and you can add National Estate Planning Week to the mix. This annual event is promoted nationally, and your clients are likely to hear about it. Our Foundation is happy to offer tips to help you **tap the momentum to inspire your clients** to update their financial plans, estate plans, and charitable giving strategies.
- You are not alone if you miss the old "stretch IRA". Many attorneys, CPAs, and financial advisors recommended this technique to help the heirs of their deceased clients avoid a big income tax hit. For a specific type of client, though, it may be possible to **mimic the benefit of the stretch IRA** by using a charitable remainder trust.
- No two clients are exactly alike, which is why you tailor your advice to the specific circumstances of each client's life, finances, and goals. For inspiration, we're happy to offer **three examples of client scenarios** and how our Foundation can work alongside you to help handle the charitable components of a client's plan.

Thank you for the opportunity to [work together](#). We are grateful for our partnership!

Alyssa Meyers-Sanonu, Foundation Director of Philanthropy
570-850-3504 (cell) • ameyers-sanonu@csgiving.org



Reasons to celebrate charitable giving and engage your clients.

For many attorneys, financial advisors, and CPAs, estate planning is part of your client conversations every single month, week, and day of the year. You never hesitate to remind clients to update their wills, trusts, and financial plans as circumstances change in their lives.

Even though you remind your clients regularly about the importance of having an updated estate plan, estate planning winds up at the bottom of many to-do lists. That's why it is very helpful when clients are motivated by reminders from other sources that validate what you tell them on a regular basis. Such is the case with [National Estate Planning Week](#), which falls between October 20 and 26 this year. This is a great time to check in with clients not only related to the estate plan provisions for distributions to their heirs, but also the provisions in their estate plans to leave a gift to one or more charities.

Community Giving Foundation is here to help! Here are three suggested steps for making the most of National Estate Planning Week with your clients.

1. Use the OBBBA as an ice breaker. First, remind clients that the One Big Beautiful Bill Act has [changed](#) the landscape for charitable deductions, especially for your clients who have been in a gray area in recent years as to whether or not they itemize their deductions. For high income earners, 2025 presents opportunities to “front load” charitable deductions through a donor advised fund at the Foundation before the floor and cap kick in next year.

2. Bridge the conversation to estate gifts. Second, while you are on the subject of charitable giving, remind your clients that now is a perfect time to check in on their plans to include gifts to charity in their wills, trusts, or beneficiary designations. Clients will appreciate refamiliarizing themselves with the provisions they've already included. If a client has not yet arranged for a legacy gift to charity, and the client makes regular charitable gifts each year, evaluate whether it also makes sense to include an estate gift. Many clients who are very philanthropic during their lifetimes simply have not stopped to consider this idea and will welcome the discussion.

3. Call the Community Giving Foundation. Third, lean on the team at our Foundation to help your client create a “portfolio” of charitable giving strategies aligned with both the client’s charitable intentions as well as the client’s estate planning and financial goals. As a client’s “home” for charitable giving, our team can customize and coordinate a series of vehicles to achieve a client’s charitable goals, including a donor advised fund to organize giving and help navigate the opportunities triggered by the One Big Beautiful Bill Act, a designated fund to receive Qualified Charitable Distributions for clients who are over 70 ½ annual support for the Foundation’s initiatives, and documenting your client’s intentions for an estate gift to the Foundation.

National Donor Advised Fund (DAF) Day, celebrated each October, is a great reminder of how these flexible funds can enhance your clients’ charitable and tax planning. Even if you missed this year’s observance on the 9th, the opportunity is always open to explore donor advised funds at our Foundation—combining smart planning with local impact. [Reach out](#) anytime to discuss how these funds and other giving vehicles can fit into your clients’ estate and philanthropic strategies.

Inherited IRAs: A charitable solution?

Remember the good old days when your clients could withdraw the money they inherited in their parents’ IRAs over the course of their lifetimes, thereby deferring the income tax for as long as possible? This so-called “stretch IRA” was largely eliminated by the SECURE Act of 2019, requiring most non-spouse beneficiaries to withdraw the entire inherited IRA within 10 years, rather than stretching withdrawals over their lifetime.

For a very specific subset of your clients, however, there may be an [alternative](#). Here is the ideal fact pattern:

- Your client owns an IRA.
- Your client is very philanthropic, and charities are prioritized in the client’s estate plan even where the client has children or other heirs.
- Your client has identified a young, healthy heir to whom the client would like to leave a legacy gift.
- This heir is likely to be in a high-income tax bracket in the years ahead and wants to defer income tax wherever possible.

The concept, oversimplified for illustration purposes, goes something like this:

- Instead of naming the heir directly as the beneficiary of the IRA, your client instead would name as beneficiary a charitable remainder unitrust, referred to as a CRT, or even a NIMCRUT (net-income make up charitable remainder unitrust), of which the heir is the income beneficiary.
- The CRT would receive the IRA proceeds upon your client’s death.
- The tax result of this structure somewhat mimics the old stretch IRA because, as a charitable entity, a CRT does not itself get hit with income tax on the income from the IRA.

- According to the terms of the CRT, the assets can be distributed annually over the heir's lifetime (or for a fixed period of up to 20 years) and, similar to what would have happened with the old stretch IRA, the heir will pay income taxes on distributions from the trust as they are received.

So why doesn't everyone do this? Here are three reasons:

- It's actually possible for an heir to be too young for this technique to work well. The IRS requires that a CRT's pay-out rate result in a present value of the future gift to charity of at least 10% of the value of the initial gift. This means that the pay-out rate could be too low to justify the expense and hassle of the transaction where the CRT's income beneficiary is very young.
- There is always a risk that the heir will die prematurely, sending the entire remainder interest to the charity with nothing remaining to pass to the heir's own heirs.
- Even when compared with the 10-year rule, it can take a very long time for the CRT's tax benefits (i.e., more wealth) to outweigh the projected "loss" of the assets that will ultimately go to charity.

What's the bottom line here? If your client is truly charitable, they may be better able to fulfill their charitable goals by naming a charity, such as the client's fund at the Foundation, as the beneficiary of the client's IRA, leaving other assets eligible for the step-up in basis to fund the estate gifts for heirs.

As always, the team at our Foundation is here to help! Please [reach out](#) anytime to discuss complex giving strategies.



**Three clients. Three solutions.
One common theme.**

We've rounded the corner into the fourth quarter! As the calendar year draws to a close, you're likely well aware that charitable giving is not only important to your clients first and foremost as

an act of generosity, but also as a powerful tool in tax planning. Consider the following hypothetical client situations:

1. You want to help Emily Harper benefit from itemizing deductions. Your client, Dr. Emily Harper, a 62-year-old physician, has long supported many local charities with annual donations totaling around \$20,000. While generous, her giving has not exceeded the standard deduction under the current tax law, which means she has received little to no tax benefit for her contributions. You've counseled Emily that 2026 will bring even more [limitations](#) on her ability to deduct charitable contributions.

Working with Community Giving Foundation, you are arranging for Emily to contribute \$100,000 of appreciated stock this December to establish a donor advised fund. This large, single-year contribution will allow her to itemize deductions for 2025 and maximize her tax savings, while still preserving the flexibility to recommend grants of \$20,000 per year to her favorite charities over the next five years. By front-loading her philanthropy, Emily not only secured a significant deduction even under the higher standard deduction thresholds in place, but she also avoided potential exposure to the upcoming IRS ["floor and cap"](#) rules under the One Big Beautiful Bill Act.

2. You are worried about Jonathan Lee's concentrated stock positions. Jonathan Lee, a 58-year-old business executive, has accumulated a significant position in a favorite stock over the past two decades. As Jonathan's advisor, you have grown increasingly concerned about the [concentration](#) risk in his portfolio and the steep capital gains tax bill he would face if he sold shares outright. You also discovered that Jonathan has consistently supported a handful of local charities with annual cash gifts. (This made you cringe; you wish Jonathan had consulted you about giving stock versus cash.)

Working with Community Giving Foundation, you arranged for Jonathan to donate \$250,000 worth of his highly-appreciated stock to establish a donor advised fund. This move accomplished two critical objectives: it allowed Jonathan to bypass the capital gains tax on the gifted shares and made him eligible for a full fair-market-value charitable deduction for the stock's value on the date of the gift. Now, instead of writing annual checks from after-tax dollars, Jonathan can recommend grants from his donor advised fund over time, maintaining his giving pattern while enjoying significant tax efficiency. What's more, by contributing stock instead of cash, Jonathan transformed a concentrated holding into diversified charitable capital.

3. Margaret Davis has more money in her IRAs than she'll ever need. Your client, Margaret Davis, is 74 years old. She continues to receive royalty income from several books she wrote over the course of her career as a successful romance novelist. Margaret also owns several IRAs. Her royalties are more than enough to cover her living expenses; she simply does not need the Required Minimum Distributions from her IRAs. You have counseled her, though, that she has to take those distributions under IRS rules.

Recently, Margaret sent you an [article](#) she read in the *Wall Street Journal* about Qualified Charitable Distributions (QCDs). Truth be told, you've heard about QCDs, but you don't specialize in tax planning and you simply have not had the time to get up to speed on these vehicles. But, because Margaret brought it up, you wisely dive in.

You learn that Margaret, because she is over the age of 70 ½, can direct up to \$108,000 (the 2025 limit) to qualified charities. You've reached out to Community Giving Foundation for help, and the Foundation team is setting up a designated fund to receive Margaret's QCDs. The designated fund, in turn, will support the local animal shelter, where Margaret has volunteered for decades, even after Margaret dies. What's more, the QCD dollars are excluded from Margaret's income and still satisfy a portion of her Required Minimum Distribution. What's more, the QCD reduces Margaret's exposure to Medicare IRMAA surcharges—benefits that would not have accrued if she'd simply donated from after-tax cash.

If your client base includes people like Emily, Jonathan, and Margaret, please [give us a call!](#) Our Foundation is here to help. The tax benefits are terrific, but that's not what is most important. What's most important is that you are helping your clients fulfill their charitable objectives, making our community and the lives of the people who live here even better for generations to come.

The team at the Community Giving Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. Learn more at csgiving.org/professional-advisors. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.



The Community Giving Foundation is a 501(c)(3) organization that develops, manages, and distributes funds for charitable purposes in communities across the Central Susquehanna region of Pennsylvania.

725 West Front Street • Berwick, PA 18603 • 570-752-3930 • csgiving.org