



LIFETIME WEALTH STRATEGIES

CHARITABLE GIVING

Hi There!

WE'RE LIFETIME WEALTH STRATEGIES, AND PHILANTHROPY IS A KEY PILLAR IN OUR BUSINESS.

Whether you have always been generous and are looking for a way to maximize your donations, or you are new to charitable giving and see it as a solution for you, we can help.

Tell us about the gifts you envision, the impact you want to make, and the goals for your legacy. Together, we'll craft the best way to accomplish it.

Let's do this!

YOUR LIFETIME WEALTH STRATEGIES TEAM

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Say What?



FINANCIAL TERMINOLOGY

In a world of acronyms, jargon and industry terms, it can be easy to get lost. We've defined the lingo you will most likely encounter, but remember, there are no dumb questions. Let us know if we can dive deeper to help you better understand.

APPRECIATED ASSETS

Assets that have grown in value over time. Examples: securities, real estate etc.

ASSET

A resource with economic value that is owned with the expectation that it will provide a future benefit.

BENEFICIARY DESIGNATION

The act of naming the person who will inherit an asset in the event of the owner's passing

BEQUESTS

The act of giving assets such as cash, stocks or bonds, to a beneficiary through a will or an estate plan.

CAPTAL GAINS

A tax placed on the profit gained from the sale of a property or investment.

CHARITABLE DEDUCTION

An itemized deduction available for taxpayers who donate to charity. It allows taxpayers to deduct all of their contributions of cash and property, within certain limitations.

COST BASIS

The original value of an asset for tax purposes (typically the purchase price, adjusted for stock splits, dividends or distributions).

ESTATE

All of the assets that makes up your net worth — real estate, personal possessions, business interests, financial assets — essentially, everything of value that you own, minus any liabilities (such as remaining mortgage payments, credit card debt, loans, unpaid taxes, etc.).

ESTATE PLANNING

Deciding on a strategy for your assets after you pass. Typically involves creating a will, trust, and/or other legal agreement to instruct the administration and distribution of your assets should you become incapacitated or at death.

HEAPING CONTRIBUTIONS

Combining multiple years of donations into a single year

LIABILITY

Something that is owed to another entity, typically settled over time.

PLANNED GIFT

A charitable gift that requires legal and/or financial planners to execute. These gifts typically take effect at the donors death and allow the donor to maintain the asset throughout their life. Examples include bequests, charitable annuities, charitable trusts, etc.

PLANNED GIFT NOTIFICATION

Official notification to the charity of your planned gift. This notification allows the charity to document your goals and specifications for the gift. It also allows the charity the opportunity to steward you during your lifetime.

PROBATE

The legal process of determining whether a will is valid.



QUALIFIED CHARITABLE DISTRIBUTION (QCD)

A QCD is a direct transfer of funds from your IRA, payable to a qualified charity. QCDs can satisfy your required minimum distributions (RMDs) for the year, as long as certain rules are met. You can make a QCD as early as 70.5 years old. Transfers are free of federal tax up to \$105,000 annually. State income tax benefits vary by state.

RESTRICTED FUNDS

Instructions given by the donor, and agreed upon by the charity, on how the donated funds are to be used.

REQUIRED MINIMUM DISTRIBUTION (RMD)

The amount of money that must be withdrawn from a retirement plan. In 2023, the age for withdrawing from retirement accounts changed. You must begin withdrawing from a retirement account by April 1 following the year account holders reach age 73-75 depending on current age

ROTH

An individual retirement account that is funded with after-tax income. Earnings and withdrawals at retirement are tax-free.

STANDARD DEDUCTION

The specific dollar amount that non-itemizers may subtract from their income before income tax is applied.

STEP-UP IN BASIS

The readjustment of the value of an appreciated asset for tax purposes upon inheritance.

TRUST

A trust is a fiduciary relationship in which a grantor gives another party, known as the trustee, the right to hold title to property or assets for the benefit of a third party (beneficiary). Each trust falls into six categories: living or testamentary, funded or unfunded, revocable or irrevocable.



Visualize your Impact



CHOOSING THE RIGHT GIFT FOR YOU.

Between tax benefits, impact to the charity, and effect on your estate, choosing the right gift can feel like a balancing act. We're here to help.

| | Impact on Charity | | Tax Benefits | | Additional benefits | |
|--|-------------------|----------------|----------------------------|---------------------|---------------------|--|
| | Pays you Income | Instant Impact | Impact after your lifetime | Income Tax Benefits | | Capital Gains Tax Benefits |
| Gift of Securities | | ◆ | | ◆ | ◆ | Avoidance of Capital Gains Tax along with receiving a current income tax deduction for the full market value, depending on AGI. |
| Heaping Donations | | ◆ | | ◆ | | Donate multiple years of gifts in a single year, receive an income tax deduction for the value. |
| Bequest or Gift of Trust | | | ◆ | | | Leave a legacy without effecting your cash flow during your lifetime. |
| Gift of Life Insurance Policy | | ◆ | ◆ | ◆ | | Possible reduction of your taxable estate, lowering estate taxes, and receiving deductions for the current value of the policy |
| Donor Advised Fund (DAF) or Family Foundation | | ◆ | ◆ | ◆ | ◆ | Donate appreciated stock or multiple years of donations to a Donor Advised Fund and make grants to charities at your discretion. |
| Charitable Remainder Trust (CRT) | ◆ | | ◆ | ◆ | ◆ | Donate highly appreciated stock to receive capital gains tax benefits. |
| Charitable Lead Trust (CLT) | | ◆ | | ◆ | ◆ | Donate highly appreciated stock to receive capital gains tax benefits. |
| Retirement Plan Assets | | ◆ | ◆ | ◆ | | Donate taxable assets to charity, and pass on less heavily taxed assets to family |
| Gift of Real Estate | | ◆ | | ◆ | ◆ | Improve your cash flow by avoiding real estate taxes, maintenance and insurance |

All benefits depend on your current circumstances. Consult a tax professional for tax advice.



Your Impact

PLANNED GIVING OPPORTUNITIES

GIFT OF SECURITIES

Donate highly appreciated securities and avoid capital gains tax, as well as qualify for a current income tax deduction.

HEAPING DONATIONS

If you have plans to donate annually, combine donations for multiple years into one year. Qualify for an income tax deduction for the value of the donation.

BEQUEST OR GIFT OF TRUST

Designate a charity as the beneficiary in your will or trust. Avoid estate tax on this portion, while utilizing your assets during your lifetime.

GIFT OF LIFE INSURANCE

Make a charity the owner or beneficiary of a paid-up policy, or one you're still paying premiums on. Qualify for an income tax deduction for the lesser of the policy's value, or your basis in the policy.

DONOR ADVISED FUND (DAF)

Donate a lump sum of appreciated assets or cash to a donor advised fund. Receive an income tax deduction for the amount donated, and distribute the gifts at the value and frequency you wish over time.

CHARITABLE REMAINDER TRUST (CRT)

Transfer appreciated assets to a CRT and receive income from the Trust annually, the leftover at the end of life goes to charity. Avoid capital gains on the appreciated assets, and receive an income tax deduction for the charitable portion of the trust, all while receiving income and shrinking the taxable portion of your estate.

CHARITABLE LEAD TRUST (CLT)

The inverse of a CRT, transfer assets to a CLT, the charity receives annual payments, and a beneficiary receives what remains at the end of a pre-determined period. There are various forms of charitable trusts, including Shark-Fin CLATs. Tax benefits vary by version.

RETIREMENT PLAN ASSETS

Required Minimum Distributions (RMDs) must be taken from traditional retirement accounts, and taxed. Donating assets from retirement plans during your life is called a Qualified Charitable Distribution (QCD), and avoids the income tax on those funds. Pass on less heavily taxed assets to family.

GIFT OF REAL ESTATE

Gifts of real estate can be made during your life, or through your will or living trust. Gifting appreciated property to charity qualifies for a tax deduction and can assist with capital gains avoidance, if you were planning to sell the asset during your lifetime.



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