


# Donor Benefits of Planned Giving Life Income Gifts & DAF

Presented by PNC Institutional Asset Management

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## Reflecting on the Nonprofit Sector in 2020-2021

- 1 Continued growth of the nonprofit sector**  
*More than 60,000 nonprofit organizations were created since 2020*
- 2 Reinvigorated philanthropic giving and unprecedented flexibility**  
*Over \$11B in emergency funding was distributed through philanthropic channels*
- 3 Record levels of funding and other governmental support**  
*The federal government provided over \$450B in grants and contracts to nonprofit organizations*
- 4 Reductions in the nonprofit workforce**  
*At the start of the pandemic, the nonprofit industry lost 1.64 million jobs*

IRS Data: Exempt Organizations Business Master File , SBA: SVOG Covid Relief Data USDoE: Higher Ed Covid Relief , Johns Hopkins Center for Civil Society: Nonprofit Sector December 2021 Jobs Report ,Kaiser Family Foundation: Covid Relief for Healthcare Providers Candid: Philanthropic Funding for COVID , Independent Sector: CARES Act Funding Summary for Nonprofits



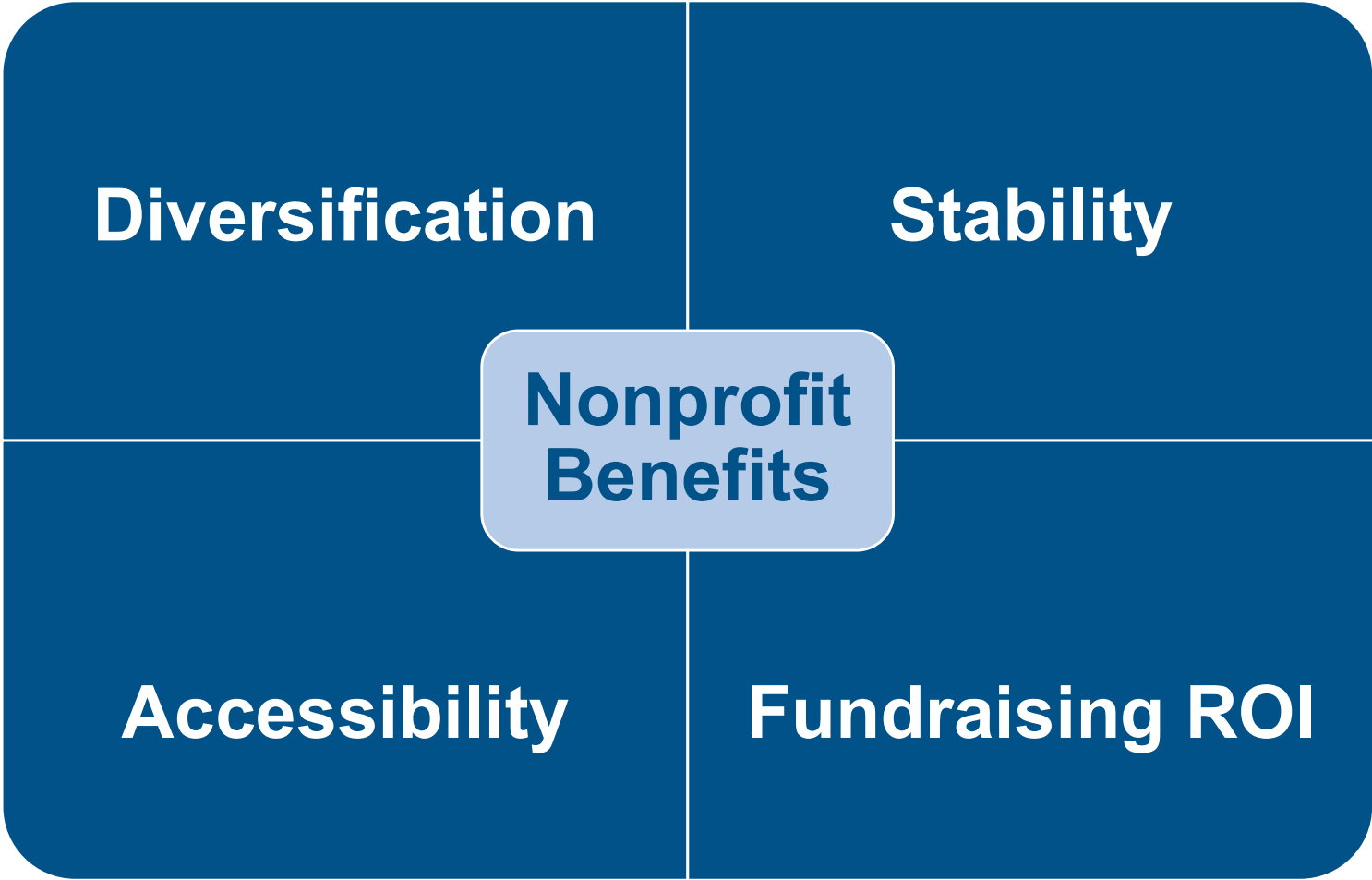
## Personnel

- Nonprofits have 500,000 job openings – 10% of national total
- Hiring remains difficult:
  - Salary expectations
  - Childcare
  - Burnout



## Resources

- Nonprofits require resources now more than ever, due to the need for investment in technology & personnel
- Unclear if pandemic shift towards human services giving will persist



## Donor Benefits

Satisfy Philanthropic Desire

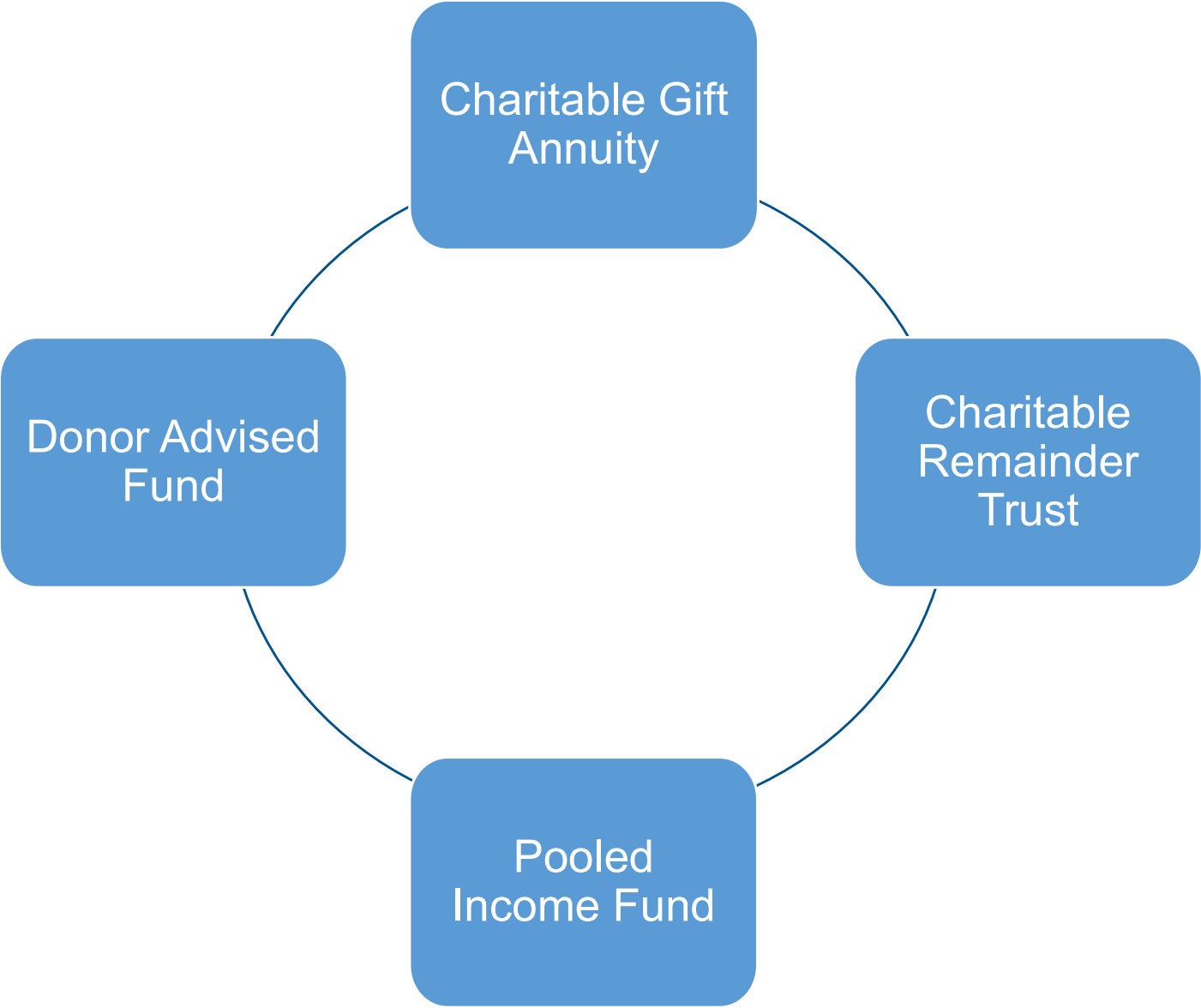
Charitable Income Tax Deduction

Preferential Capital Gains Tax Treatment

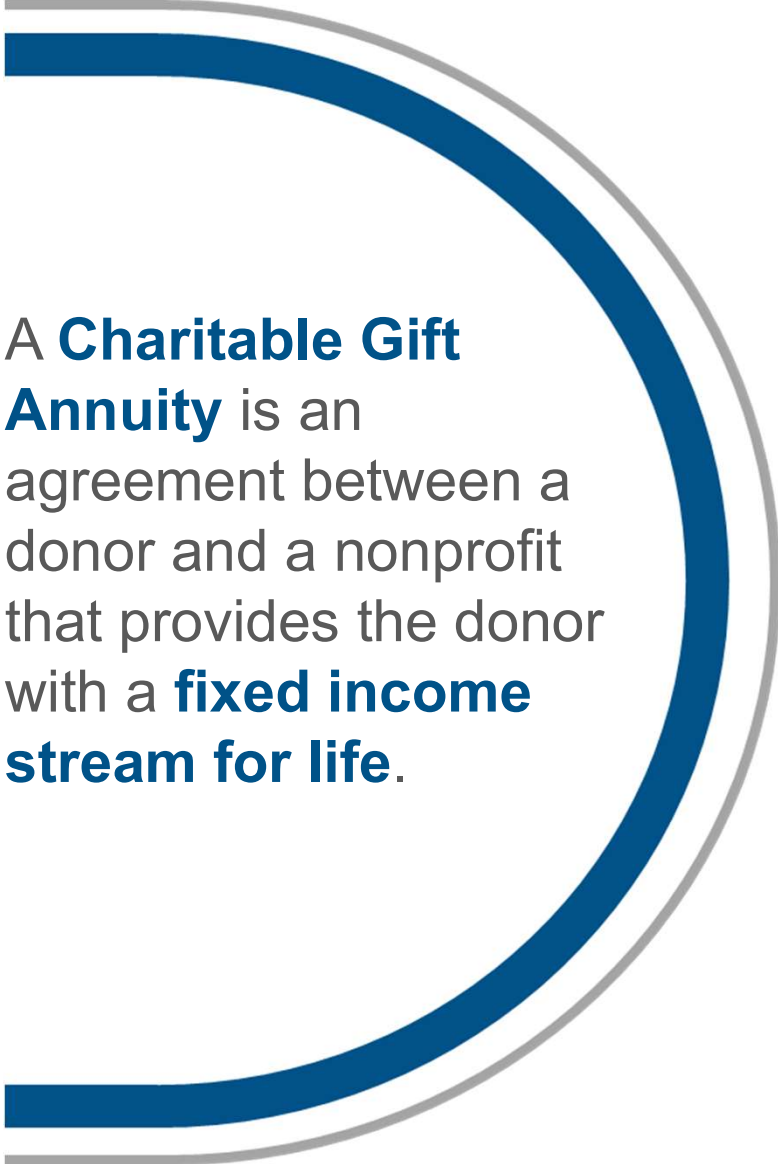
Reduction in Donor's Taxable Estate Tax

Diversification

Family Financial Plan



# What is a Charitable Gift Annuity?



A **Charitable Gift Annuity** is an agreement between a donor and a nonprofit that provides the donor with a **fixed income stream for life**.



**Make the Gift**



**Receive Lifetime Income**



**Give Remainder to Nonprofit**

# Charitable Gift Annuity Benefits

<b>Leave a charitable legacy</b>	<b>Fixed income for life</b>	<b>Potential for partial charitable tax deduction at the time of establishing the CGA</b>
<b>Reduction or bypass of capital gains on certain gifts</b>	<b>Easy to understand, and relatively easy to establish</b>	<b>Potential to reduce probate costs and estate taxes</b>



## Single Life

Age	Rate
59	4.4%
64-65	4.8%
70	5.3%
75	6.0%
80	7.0%
85	8.1%
90+	9.1%

## Two Lives

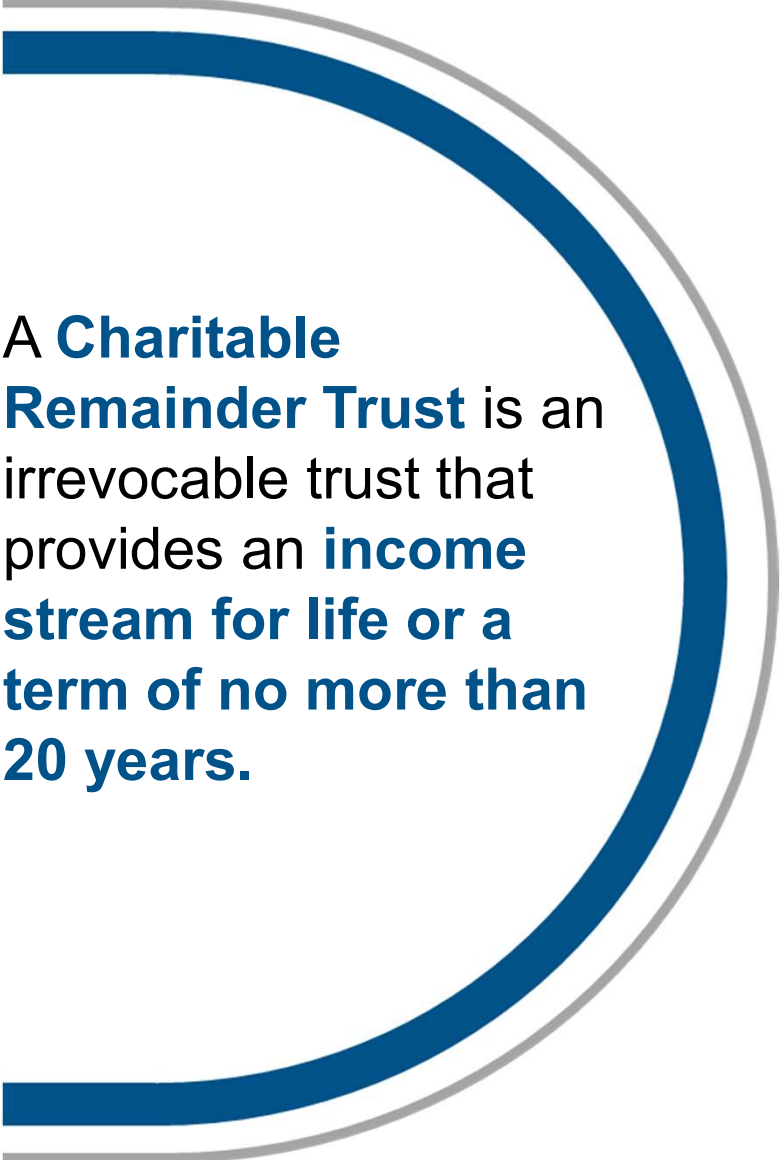
Age	Rate
60/65	4.1%
65/70	4.5%
70/75	4.9%
75/80	5.5%
80/85	6.3%
85/90	7.5%
90/95	8.8%

**Rates in effect since July 1, 2022**

**Last reviewed and approved by the American Council on Gift Annuities Board of Directors on May 17, 2022**

Source: ACGA website [www.acga-web.org](http://www.acga-web.org)

# What is a Charitable Remainder Trust?



A **Charitable Remainder Trust** is an irrevocable trust that provides an **income stream for life or a term of no more than 20 years.**



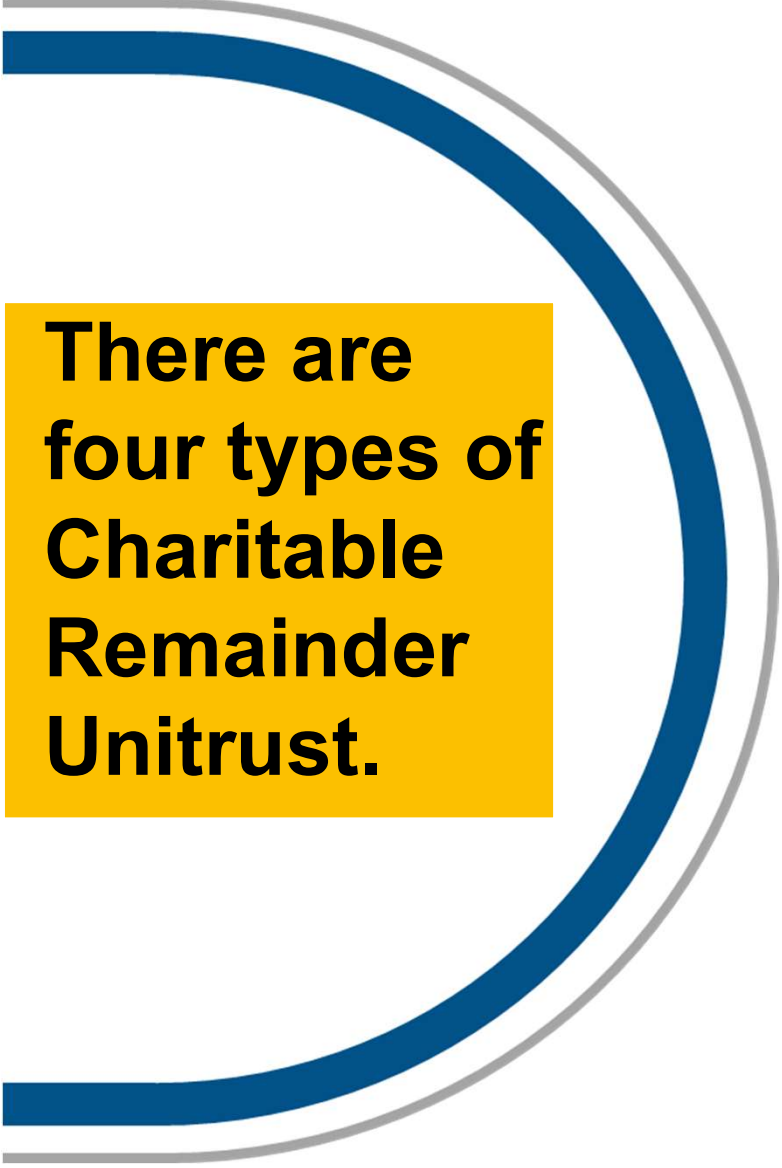
**Make the Gift**



**Receive Income**



**Remainder to Nonprofit**



**There are  
four types of  
Charitable  
Remainder  
Unitrust.**

Standard Unitrust - STANCRUT

Net Income Unitrust – NICRUT

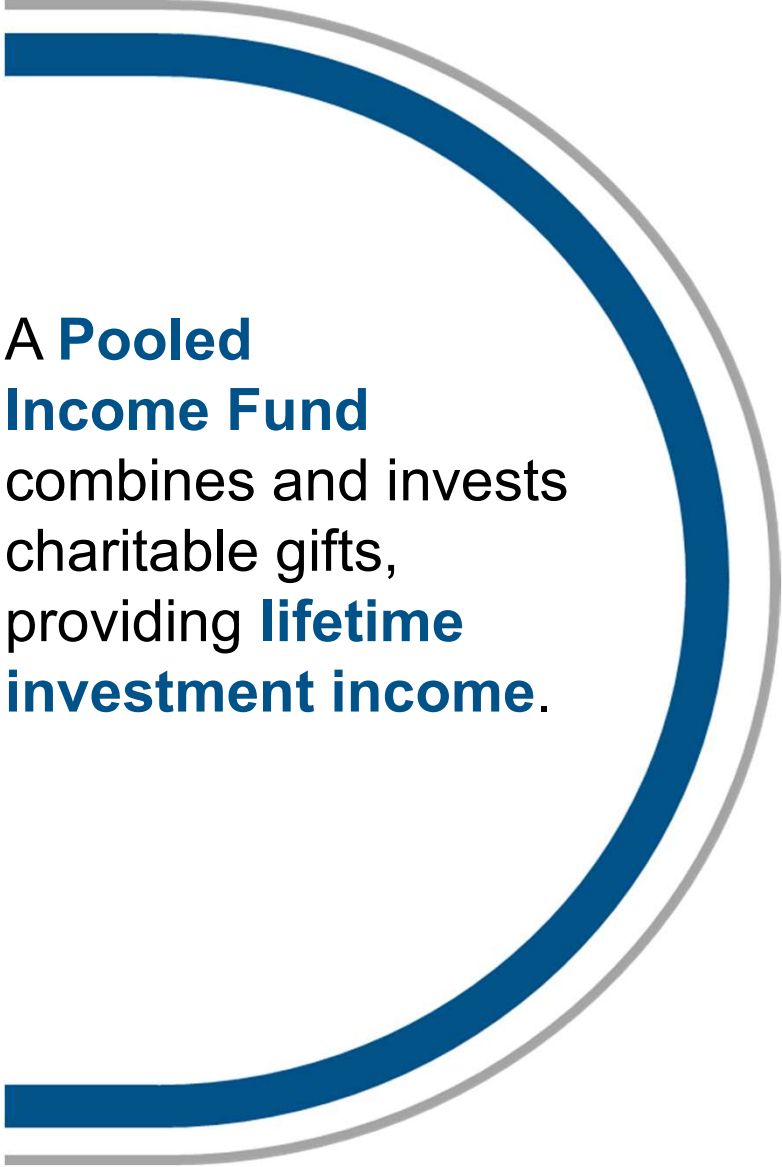
Net Income with Make-up – NIMCRUT

Flip CRUT

# Charitable Remainder Trust Benefits

Potential for <b>partial income tax deduction</b> at the time of funding the trust	<b>Fixed income</b> for a determined period of time	<b>Do not pay capital gains tax</b> when assets are sold
<b>Protects your asset or estate</b> from creditors or others.	Leave a <b>charitable legacy</b>	Potential to <b>reduce or eliminate estate taxes</b>

# What is a Pooled Income Fund?



**Make the Gift**



**Receive Share of Investment Income**



**Remainder to Nonprofit**

<b>Lower Gift Minimums</b>	<b>Annual income payments</b> for lifetime of named beneficiaries	Potential for <b>federal income tax deduction</b>
<b>Reduction or bypass of capital gains</b> on certain gifts	<b>Leave a charitable legacy</b>	Potential to <b>reduce probate costs and estate taxes</b>

# What is a Donor Advised Fund?

A **Donor Advised Fund (DAF)** is a charitable account **owned and controlled by a public charity.**



**Make the Gift**



**Suggest how Gift is Invested and Distributed**



**Sponsoring Organization Ultimately Decides Charitable Distribution**

<p>Make gifts to charitable organizations that you wish to <b>support now and in the future</b></p>	<p>Ability to make <b>anonymous</b> gifts</p>	<p><b>Gifts to DAFs may be advantageous for donors who itemize</b></p>
<p>Giving to a DAF may allow you to receive an <b>income tax deduction today</b> for gifts to charitable organizations in the future</p>	<p><b>Leave a charitable legacy</b> for future generations to maintain and follow</p>	<p><b>Costs of creating a DAF are minimal</b> when compared to other types of private charitable giving structures</p>





**Satisfy Philanthropic Wishes**



**Achieve Financial and Charitable Objectives**



**Enhance Financial Planning Through Giving**

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