UT LAW CLE

ESTATE PLANNING IN THE TIME OF THE CORONAVIRUS PANDEMIC

May 15, 2020 Webinar - Appendix

Charitable Planning Process

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Charitable Planning Process Questions

Desired Impact of Charitable Gifts?

Are There Multiple Charities Wish to Benefit?

Interest in Using Partial Interest Charitable Gifts to Also Provide for Spouse/Heirs?

Is Transfer Tax Savings a Priority?

Is Income Tax Savings (including capital gains taxes and net investment income taxes) a Priority?

Is Increasing Income for Retirement a Priority?

Desired Impact of Charitable Gifts

What impact would be the most meaningful to the donor? Want to memorialize or honor others?

When to make the gift(s)

How to make the gift(s)

What assets to use to make the gifts

What recognition would the donor like for self or others

When to Make the Gift(s)

All during lifetime?

Multiple gifts during lifetime to provide annual support or to build an endowment?

Lifetime gifts plus split-interest gifts (charitable gift annuities, charitable remainder trusts, charitable lead trusts, undivided interests) or estate gifts and beneficiary designations to cap-off an endowment or take the endowment to a higher type?

Lifetime Gifts Now

The CARES Act provides two new giving opportunities:

- Cash gifts to public charities (but not donor advised funds or supporting organizations) can be deducted up to 100% - instead of 60% - of AGI for tax year 2020 *only.*
- Non-itemizers can take up to $300 per tax return as an above-the-line deduction for tax year 2020 and beyond.

Cash Gifts in 2020

With cash gifts to public charities (not DAFs or SOs) deductible at 100% of AGI for tax year 2020

- Consider making several years of annual gifts during 2020 to one or more charities
- Sell slightly appreciated or depreciated capital assets and use the cash proceeds to make cash gifts.
- Since art and collectibles may appraise at less than the amount invested by the donor, sell the items and gift some or all of the cash proceeds.

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