



## Charitable Giving Tips for Clients' Golden Years

The rising popularity of the Qualified Charitable Deduction—“QCD”—appears to be inspiring an increasing number of retirees to re-evaluate their charitable giving plans. Before the clock winds down on 2023 giving opportunities, be sure you’re familiar with the various charitable giving techniques that are most appealing to [retirees](#) and the various ways the Chester County Community Foundation can help.

Here are four characteristics of retirees and their charitable giving situations that will help you serve your retired clients.

- **Greater connection to community.** Retirees often feel a greater connection to their community and favorite charities than your clients who are not retired. Whether it’s because a retiree’s income and corresponding giving capacity are more predictable, or because a retiree has more time, getting involved with favorite charities can help retirees stay [active](#) and even avoid [loneliness](#). The team at the Chester County Community Foundation stays connected with the many nonprofit organizations in our region, and we are happy to serve as a sounding board for your retired clients who want to get involved.
- **Less likely to itemize deductions.** Many retirees apply the standard deduction on their income tax returns because they don’t have many expenses that qualify for itemization, such as business expenses and mortgage interest deductions. Help your retired clients evaluate whether itemizing deductions in certain years could be beneficial. Through a donor-advised fund at the Community Foundation, your clients may be able to concentrate charitable contributions into particular tax years and benefit from the deductions above and beyond the standard deduction. This is called “bunching,” and a donor-advised fund can help your client take advantage of itemizing tax deductions while still allowing them to provide steady support to nonprofits in years that follow the itemizing year.
- **More interested in involving children and grandchildren in their philanthropy.** The Chester County Community Foundation is happy to help your retired clients fulfill their desire to stay connected with their children and grandchildren, including formalizing roles for these family members as advisors and successor advisors of the retiree’s donor-advised fund at the Community Foundation. This is often an excellent and easy way to structure philanthropic priorities for generational wealth as well as create positive, authentic communication channels across an extended family.
- **Excellent candidates for Qualified Charitable Distributions.** Your clients who are at least age 70½ can direct a tax-free distribution (up to \$100,000 per spouse in 2023) from an IRA to a

qualified charity such as a field-of-interest or designated fund at the Community Foundation. For your clients who must take Required Minimum Distributions (RMDs), the Qualified Charitable Distribution (QCD) is especially [beneficial](#). This is because the distribution to charity counts toward the RMDs and therefore never lands in the client's taxable income.

For more information, contact the Chester County Community Foundation:

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*The team at the Chester County Community 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. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.*