Starved Rock Country COMMUNITY FOUNDATION

# PROFESSIONAL ADVISOR NEWSLETTER

**MONTHLY NEWSLETTER** | **SEPTEMBER 2025 TRENDING TOPIC 1**

## YOUR PARTNER IN STRATEGIC PHILANTHROPY PROFESSIONAL ADVISORY SERVICES. Empowering Financial Growth and Community Impact

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**Starved Rock Country Community Foundation**

## GREETINGS FROM SRCCF!

## WE'RE HERE FOR YOU - THE STARVED ROCK COUNTRY COMMUNITY FOUNDATION HELPS YOU SERVE YOUR CHARITABLE CLIENTS.

Hello from the SRCCF and happy September!

The year is winding down, and it's been eventful. We are honored to work with so many attorneys, CPAs, and financial advisors to help your clients achieve their charitable goals.

As you begin to consider year-end planning for your clients, keep in mind that our team keeps you informed of developments impacting charitable planning, and in many cases, the Starved Rock Country Community Foundation can offer solutions.

—We get it. Recently passed laws have thrown a curveball into the ways you approach tax and financial planning for a lot of clients. We're breaking down the most important points from the One Big Beautiful Bill Act, building on the detail we shared in our last newsletter.

—IRAs are excellent vehicles for many, many reasons, one of which is the role they can play in charitable giving. We're happy to answer FAQs about IRAs, QCDs, and the OBBBA.

Thank you for the opportunity to work together! We value our partnership.

# 01 ONE BIG BEAUTIFUL BILL ACT: THREE BIG PICTURE POINTERS

## "So what does it mean for charitable planning, really?"

That's a question our team has been fielding from attorneys, CPAs, and financial advisors ever since the One Big Beautiful Bill Act became law on July 4, 2025. It's an understandable question, not only because the bill is so, well, big, but also because the roller coaster ride leading up to the final bill included many provisions that ultimately did not make it into law.

From a charitable giving perspective, here is a trio of high-level "must knows."

### "I'LL BE BACK."

Although the One Big Beautiful Bill Act (OBBBA) has extended or "made permanent" many favorable tax provisions, notably the elevated estate tax exemption, this is no time to become complacent. Although no one knows what future tax legislation might look like, we all know that there will be tax legislation in the future. Today's tax advantages will not be tomorrow's tax advantages. During this so-called "tax summer," continue to talk with your clients about their charitable giving plans, staying alert and ready to help them make adjustments when the laws change again.

### "CARPE DIEM."

If your practice includes clients who give to charity, it's crucial to get up to speed on the basics of the OBBBA's changes to charitable tax deductions. 2025 presents a window of opportunity for your clients who itemize deductions, in part because of the OBBBA's increases to the standard deduction in 2025 and in part because itemized charitable deductions will be subject to a floor and cap starting in 2026. "Bunching" using donor-advised funds at the Starved Rock Country Community Foundation is shaping up to be an important strategy this year. If you missed our last newsletter where we shared the details of these changes, please reach out. We'd be happy to send you a copy.

### "FUNDAMENTALS. FUNDAMENTALS. FUNDAMENTALS."

Sure, a lot is changing, but a lot isn't! Appreciated stock is still likely to be a much more tax-savvy gift to charity than cash, and it's important to keep this top of mind. In addition, IRAs remain a powerful charitable planning tool. For instance, when your client names a fund at the SRCCF as the beneficiary of an IRA, the gift avoids estate tax and income tax, both of which can hit heirs hard. Plus, for your clients who are 70 ½ or older, the Qualified Charitable Distribution ("QCD") is a great way to transfer up to $108,000 (2025's per-taxpayer limit) income-tax free to a qualified charity, including some types of funds at the SRCCF.

## 02 TONGUE TWISTER: OBBBA, IRAS, QCDS, AND FAQS

If your head is spinning, it's for a good reason! Let's face it–the rules for using IRAs to give to charity were complicated before the OBBBA got thrown into the mix. Let's address five frequently asked questions we've been hearing from attorneys, CPAs, and financial advisors as you counsel your charitable clients.

### "I HAVE A LOT OF CLIENTS WHO ARE 70 ½ AND OLDER. I KNOW THE NEW TAX LAWS ARE A BIG DEAL. DID THE RULES CHANGE FOR QUALIFIED CHARITABLE DISTRIBUTIONS?"

This is a great question, and it's super important. The short answer is no–the One Big Beautiful Bill Act did not directly change the IRS's rules for Qualified Charitable Distributions, or "QCDs." Through a QCD, a taxpayer who is over the age of 70 ½ can direct up to $108,000 (2025 limit) from an IRA directly to us, or to an eligible charity by using some types of funds at the SRCCF.

### "I CAN TELL THERE'S MORE TO THE STORY. WHAT ELSE SHOULD I KNOW TO BEST GUIDE MY CLIENTS WHO ARE 70½ AND OLDER?"

We are glad you asked! QCDs are even more tax-savvy after the One Big Beautiful Bill Act because they bypass the new 0.5% adjusted gross income floor that will apply to itemized charitable deductions starting in 2026. Unlike other gifts, QCDs also avoid the 35% cap on deduction value for high-income taxpayers, preserving their full tax benefit. Because they reduce taxable income directly without requiring itemization, QCDs provide retirees a simple, consistent way to maximize charitable impact in a more restrictive tax environment.

### "WHEN SHOULD I CALL THE SRCCF IF I HAVE A CLIENT WHO IS A GOOD CANDIDATE FOR A QCD?"

Anytime! Several types of funds at the Foundation are eligible recipients of Qualified Charitable Distributions, including field-of-interest funds, designated funds, and unrestricted funds. Although your client's donor-advised fund is not a permissible QCD recipient under IRS rules, our team is happy to work with you and your client to establish another type of fund alongside an existing donor-advised fund and set in motion an overall strategy that meets both the client's financial and estate planning goals as well as the client's goals for community impact.

### "REMIND ME AGAIN WHY IRAS ARE SUCH POWERFUL LEGACY GIFTS TO CHARITY?"

Clearly, IRAs are tax-savvy savings vehicles during a client's lifetime because contributions to traditional IRAs may be tax-deductible. Plus, the assets inside the account grow tax-deferred, allowing returns to compound. Leaving an IRA to the SRCCF at death, or to a client's fund with us, is also tax-savvy. The assets avoid income tax because the charity, unlike heirs, can withdraw the funds tax-free. The assets also escape estate tax because charitable bequests are fully deductible from the taxable estate.

### "DOES THE WHOLE QCD HAVE TO GO DIRECTLY TO THE CHARITY?"

Please reach out to us anytime. We are happy to set up a charitable giving plan that allows your client to make QCDs to help achieve their charitable goals.

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**STARVED ROCK COUNTRY COMMUNITY FOUNDATION**

*Connecting People Who Care With Causes That Matter*

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**The team at the community foundation is honored to serve as a resource and sounding board as you build your charitable plans and pursue your philanthropic objectives for making a difference in the community. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice. Please consult your tax or legal advisor to learn how this information might apply to your own situation.**

**THANK YOU FOR THE OPPORTUNITY TO WORK TOGETHER!**

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