



PROFESSIONAL ADVISOR NEWSLETTER

MONTHLY NEWSLETTER

JUNE 2026 TRENDING TOPIC 2

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



PAMELA BECKETT

Founder and Senior Director of Philanthropy
Starved Rock Country Community Foundation

 **GREETINGS FROM SRCCF!**

WE'RE HERE FOR YOU - JUNE 2026 TRENDING TOPICS 2

Greetings!

At the SRCCF, we're honored to work alongside attorneys, CPAs, and financial advisors who help clients turn charitable intentions into meaningful impact. Whether you're navigating clients' complex life events, exploring advanced planning strategies, or responding to changes in the tax landscape, your role is critical in shaping outcomes that benefit both your clients and the community.

While we currently do not offer charitable gift annuities and charitable remainder trusts at the Starved Rock Country Community Foundation, we appreciate that many of you are diving deeper into understanding split-interest gifts, including those products. As clients seek ways to balance income planning with charitable goals, understanding the differences between these vehicles can help you guide more customized and impactful conversations.

As always, it is our honor to be your first call when matters of charitable giving arise during your client meetings. The Starved Rock Country Community Foundation is our region's home for charitable giving, and it is our pleasure to work with you and your clients to help improve the lives of everyone who lives here. We look forward to our next conversation!

Pamela Beckett, Founder
Senior Director of Philanthropy

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SPLIT-INTEREST CHARITABLE GIFTS: NEED-TO-KNOW FAQS

As charitable planning conversations become more sophisticated, many advisors are revisiting so-called “split-interest gifts” to help clients balance philanthropic goals with income needs.



Two of the most common strategies—a charitable gift annuity (CGA) and a charitable remainder trust (CRT)—can both provide clients with lifetime income while ultimately benefiting charitable causes. Despite their similarities, the two vehicles function very differently and may serve distinct client needs.

Understanding when to consider each option can help attorneys, CPAs, and financial advisors deliver more customized and impactful planning guidance. Unless your practice specializes in charitable giving, though, you’re not likely to have the rules for CGAs and CRTs at your fingertips. Here are six FAQs to get you started.

WHAT DO CGAS AND CRTS DO FOR A CLIENT?

At a high level, both a CGA and a CRT would allow your client to make an irrevocable charitable gift while retaining an income stream for life or for a term of years. In both cases, your client may qualify for an immediate charitable income tax deduction, and a portion of future payments may receive favorable tax treatment. In short, people use CGAs and CRTs to save taxes, make a gift to charity, and create an income stream.

WHICH IS EASIER—A CGA OR A CRT?

A charitable gift annuity is generally the simpler of the two arrangements. The client transfers assets to a charitable organization in exchange for a fixed lifetime payment backed by the charity’s general assets. Payment rates are typically based on age and standardized actuarial assumptions.

Because the payout is fixed and administration is relatively straightforward, CGAs often appeal to older donors seeking predictability and simplicity. Note that not every charity offers a CGA option; many smaller or mid-sized nonprofits lack the resources, licenses, or state registrations needed to manage them.

WHICH IS MORE FLEXIBLE—A CGA OR A CRT?

A charitable remainder trust offers considerably more flexibility than a CGA, but it is also more complex. A CRT is a separately administered trust—its own legal entity—that pays income to one or more beneficiaries before the remaining assets eventually pass to charity. Unlike a CGA, a CRT can be designed in different ways. A charitable remainder annuity trust (CRAT) provides fixed annual payments, while a charitable remainder unitrust (CRUT) pays a variable amount based on a percentage of the trust's annually revalued assets.

WHICH OPTION IS BETTER FOR CLIENTS CONTRIBUTING LARGER ASSETS?

CRTs are often better suited for clients contributing larger or more complex assets. Because the trust can sell appreciated assets without triggering immediate capital gains tax within the trust, CRTs are frequently used in connection with highly appreciated real estate, concentrated stock positions, or even business interests prior to a sale.

In addition, CRTs can accommodate multiple beneficiaries, customized payout structures, and professional investment management strategies. Clients who want greater flexibility, longer-term wealth planning opportunities, or inflation-sensitive income may prefer a unitrust structure over the fixed nature of a CGA.

Of course, that flexibility comes with added responsibilities. CRTs require formal trust administration, annual tax filings, ongoing investment oversight, and legal drafting. CGAs, on the other hand, are generally easier for clients to understand and establish.

WHEN IS A CGA BETTER?

You may recall that a technique called a "Legacy IRA" was created by the SECURE 2.0 Act, allowing taxpayers aged 70 ½ or older to make a one-time election for a tax-free Qualified Charitable Distribution to certain CRTs or CGAs. Clients who want to take advantage of the Legacy IRA may find that a CGA is better suited to their needs. The cost of setting up and administering a CRT may not be worth it because the limit for these transactions is \$55,000 (2026 level) per person.

Finally, keep in mind that charitable giving conversations are not limited to ultra-high-net-worth households. Many clients today are seeking ways to create reliable retirement income while also making meaningful charitable commitments. Split-interest gifts can help accomplish both objectives simultaneously.

As always, our SRCCF is honored to serve as your charitable giving resource. We're grateful for the opportunity to work alongside attorneys, CPAs, and financial advisors to help your clients make a lasting difference in the community.

Please reach out to us anytime. We know the new tax laws add a lot to your plate, and we are always happy to point you in the right direction as you conduct research and offer counsel to your clients. And remember, you don't have to jump headfirst into the complexity during your client discussions. Even talking about philanthropy in the simplest terms can help strengthen your client relationships and grow your practice.

**STARVED ROCK COUNTRY
COMMUNITY FOUNDATION**

*Connecting People Who Care
With Causes That Matter*

-  116 W. Lafayette Street,
Suite 2, Ottawa, Illinois 61350
-  815-252-2906
-  www.srccf.org
-  info@srccf.org

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!**

