FALL 2023

TALENTS

Proving Faithful in Stewardship
Matthew 25:14–30

WHEATON COLLEGE GIFT PLANNING NEWSLETTER

When I graduated from Wheaton in 1991, I never would have imagined that in 2023, I would celebrate 20 years of work at Wheaton College! As the writer of Ecclesiastes tells us, “There is a time for everything and a season for every activity under the heavens.” After serving most of those years in Wheaton Athletics, I am excited to be in a new season. I joined the Gift Planning Services team this past summer after a year as a Regional Director of Development.

The first time I became intimately aware of Wheaton’s Gift Planning team was over ten years ago when my husband and I did our estate planning. We were in a challenging season of life, and I am deeply grateful for the care and expertise we received from Wheaton’s Development and Gift Planning Services teams. I am honored to be part of this team now – supporting people who want to see the impact of Wheaton College continue for future generations. I am grateful my season at Wheaton continues to be full of growth and meaning. I hope to connect with you soon. Go Thunder!

Julie Davis

Julie Davis ’91
Associate Director of Gift Planning Services

WHEATON COLLEGE
For Christ & His Kingdom

Legislative Changes

The end of the year is nearly here! There are changes in the laws to be aware of that have recently occurred or are expected to occur, which may affect charitable giving and certain estate and tax planning considerations.

Federal Gift and Estate Tax Exemption Amount

In late 2017, when the Tax Cuts and Jobs Act was passed, 2025 seemed far off, but it will be here before we know it! After 2025, a notable portion of this law will sunset: the current federal gift and estate tax exemption amount. This is the maximum amount a person can give away during life and at death before taxes are incurred.

In 2018, the exemption increased from $5.49 million per individual to over $11 million per individual. In 2023, the exemption is $12.92 million per person and $25,840,000 for a married couple! However, after 2025, it will return to the previous amount of $5 million (adjusted for inflation) unless further legislation changes this. You can read more at the IRS website: https://www.irs.gov/newsroom/estate-and-gift-tax-faqs

If gift and estate taxes are a concern for you, particularly when the federal gift and estate tax exemption amount returns to a pre-2018 level, now may be a good time to revisit your planning with an experienced estate planning attorney. For charitable options and strategies, please contact our office.

Elimination of the Stretch IRA and Testamentary CRUTs

Many Americans have sizable tax-deferred retirement accounts that have been accumulating for decades. The assets in these accounts have not been taxed for income tax purposes and have grown tax-free over the years. So, when account owners withdraw assets from the account, they will incur income taxes.

In the past, some account owners planned to use these assets to create an inheritance for their children, who could stretch out distributions over their lifetimes. This offered benefits, such as longer time for assets to grow tax-free and possibly lower income taxes on distributions taken in smaller amounts over a longer period of time. Various "stretch IRA" benefits were eliminated with the passage of the Setting Every Community Up for Retirement Enhancement Act of 2019 (SECURE Act). As a result, most retirement account inheritors who are not the account owner's spouse are required to withdraw all retirement assets within just ten years of the owner's death, cutting into the benefits of stretching out withdrawals over one's life expectancy.

For retirement account owners who want to support Wheaton's ministry and provide their children with an income flow for future years, a *testamentary CRUT* may be a wonderful solution that has become even more appealing since this law took effect. Beneficiaries of a testamentary CRUT funded with tax-deferred retirement assets will receive a stream of income for up to 20 years. Wheaton and possibly other charities

will receive a charitable gift from the remainder at the end of the trust term. You can provide your loved ones with an extended income flow while also making a significant charitable impact!

New IRA Gift Annuity Opportunity

Since the beginning of 2023, with the passage of the SECURE Act 2.0, those aged 70 ½ and older can now use their IRA funds to establish a current payment gift annuity! By making a Qualified Charitable Distribution from an IRA to fund a gift annuity, the donor and possibly the donor's spouse will receive a lifetime income flow at a fixed rate that will never fluctuate. After the death(s) of the annuitant(s), the charity will receive a substantial gift! Donors can contribute a total of $50,000 in one single year. Gift annuity payments are taxable at the IRA owner's income tax rate. Some additional rules apply to this new opportunity, so please contact us with any questions.

With two gift annuity payment rate increases since summer of 2022, now may be a great time to consider this unique giving option that provides you with a stream of lifetime income while also providing a meaningful gift to support Wheaton's ministry. To request a no-obligation personalized gift annuity illustration, contact us or visit www.wheaton.edu/giftannuity.

For additional information on these concepts, please call **630.752.5332** or email **gift.plan@wheaton.edu**.

WHEATON COLLEGE TRUST COMPANY, N.A.

Looking for a professional fiduciary to administer your estate plan? The Wheaton College Trust Company, N.A., a national bank, can serve as executor of a Will or successor trustee of a revocable trust for those who have made or intend to make significant planned gifts to Wheaton College. Our Gift Planning Services team is happy to set up a time to discuss these services and various tax-efficient charitable giving options!

Phone 630.752.5332
Email gift.plan@wheaton.edu
Website wheaton.edu/giftplan

ESTATE REVIEW

For those interested in tax-efficient strategic giving opportunities that maximize giving to loved ones as well as supporting Wheaton, our Gift Planning team offers a free **Estate Review** service. Through this process, our staff can help you think through your current estate plan and goals, including offering charitable giving options that may provide some tax reduction and equipping you as you work with your professional advisors. Please contact us for more information.

UPCOMING EVENTS

- Virtual Estate Planning Seminar – February 6, 2024 via Zoom at 7:00 p.m. EST
- Lake Geneva Estate Planning Seminar – April 20, 2024 at 11:00 a.m. CST
- Alumni Weekend 2024 – May 3-5, 2024
  - On-Campus Blanchard Society Luncheon – May 3, 2024 at 11:30 a.m. CST
  - On-Campus Estate Planning Seminar – May 4, 2024 at 1:30 p.m. CST
  - Baccalaureate Service – May 5, 2024 at 9:00 a.m. CST
  - Undergraduate Commencement – May 5, 2024 at 3:00 p.m. CST

GIFT PLANNING INFORMATION SHEETS

We are happy to provide you with resources on these topics:

- Estate Review
- Gift Annuities
- Gift Planning Services
- Qualified Charitable Distributions: Good News and Guidelines
- Strategic (Tax-Advantaged) Giving
- Charitable Remainder Trusts
- Donor Advised Funds
- Giving Through Your Estate
- Non-Cash Gifts
- Remainder Interest in Personal Residence or Farm
- Tax-Advantaged Giving from Retirement Accounts
- Wheaton College Trust Company

Easy Estate Giving

Do you have a heart to create a lasting legacy of support for Wheaton College? One easy way is to make an estate gift by including a bequest in your will or trust or to name Wheaton as a beneficiary for a specific dollar amount or percentage on your retirement account beneficiary designation form.

If you have remembered Wheaton through your estate or made another type of planned gift, we would love to thank you and welcome you into the **Blanchard Society** – a group that honors those who have supported Wheaton's ministry in this way. For more information, please contact us or visit wheaton.edu/estategifts and wheaton.edu/blanchardsociety.

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