

TALENTS

Proving Faithful in Stewardship

Matthew 25:14–30

WHEATON COLLEGE GIFT PLANNING NEWSLETTER

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Dear friends,

We all know that change in this life and the world around us is inevitable and to be expected. In fact, the notion that “change is the only constant” is attributed to the Greek philosopher Heraclitus from about 2,500 years ago! Adapting to change is certainly important today, specifically as it relates to tax laws. It is important that you understand how recent legislative updates may affect you, your stewardship, and the important charitable causes you support.

One Big Beautiful Bill Act (OBBBA) was passed by Congress and signed into law in July 2025 and includes many different provisions. Some changes went into effect immediately, while others will take effect in 2026 and beyond. In this issue of *Talents*, we will dive into some of the specific modifications to tax law through the passage of OBBBA, as well as some strategic charitable giving opportunities available to reduce or eliminate taxes.



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WHEATON
COLLEGE
For Christ & His Kingdom



OBBBA Brings Many Changes

Some of these include:

1. Increased Standard Deduction: for 2025, \$15,750 single / \$31,500 married filing jointly.

2. New ‘Bonus’ Deduction: for 2025-2028, those age 65+ can deduct additional \$6,000 single / \$12,000 married filing jointly (if both spouses qualify).

3. New ‘Universal’ Charitable Deduction for Non-Itemizers: beginning in 2026, non-itemizers can deduct charitable cash gifts of up to \$1,000 single / \$2,000 married filing jointly.

4. New Charitable Giving Rules for Itemizers: starting in 2026, charitable gifts may be worth slightly less to donors. To claim a deduction, donors must give at least 0.5% of income. For top income earners, the deduction cap is reduced from 37% to 35%.

5. Federal Estate Tax Exemption Increase: in 2026, it will be \$15 million per person, and \$30 million for married couples.

6. State & Local Tax Deduction (SALT) Limit Increase: for 2025, it is \$40,000 and will increase 1% through 2029, before reverting to \$10,000 in 2030.

With OBBBA’s passage, charitable giving remains one of the most effective ways to reduce taxes

while supporting causes that matter to you. Tax law provides benefits for charitable gifts across three primary types of taxation: income, capital gains, and estate.

Income Tax

When you make an *outright gift*, you receive an income tax deduction for the full value of the gift. *Life income gifts*, such as a **charitable gift annuity** or a **charitable remainder trust (CRUT)**, provide a deduction for the charitable portion. Deductions can meaningfully offset taxable income in the year of your gift.

Similarly advantageous, a Qualified Charitable Distribution (QCD) is a gift directly from your traditional IRA to charity. This powerful option reduces taxable income – a benefit even if you don’t itemize! IRA owners who are at least 70 ½ can make QCDs totaling up to \$108,000 per year from their IRA and can fulfill all or part of RMDs (if age 73 and older).

Example

A generous family gave to Wheaton in a way that reduced taxes and provided other meaningful benefits. After selling a \$1 million investment property, they learned about the benefits of a gift annuity: support for the College, lifetime income,



WHEATON COLLEGE TRUST COMPANY, N.A.

Many people name a loved one as executor or trustee of their Will/Trust. However, fulfilling these roles may be complex and time consuming. Some opt to use a professional trust company instead. Wheaton College Trust Company can administer Wills and Trusts for those making significant estate gifts to the College. If you are interested in learning more about these services, please contact us!

Phone 630.752.5332

Email gift.plan@wheaton.edu

Website wheaton.edu/giftplan

MAKE IRA GIFTS YOUNGER THAN YOU THINK!

If you're at least 70 ½, you can make Charitable Distributions from your traditional IRA, up to \$108,000 annually. They don't count as income, so you won't be taxed – a smarter, tax-savvy way to give! For those 73+, you can fulfill Required Minimum Distributions with QCDs.

Want to make an IRA gift *and* receive lifetime income? Fund a **Gift Annuity** up to \$54,000 (one-time only). Contact us for details!

and a tax deduction that will help offset the capital gains taxes due from their property sale. Strategic giving like this can further the kingdom and leave more in your pocket!

Capital Gains Tax

People who give appreciated assets – stocks, real estate, business interests – avoid paying capital gains tax on the appreciation that would be due if sold. Instead of selling and paying capital gains tax, and then giving to charity from your net proceeds, you can transfer the appreciated asset directly to Wheaton! These assets can be used to fund a gift annuity or CRUT, which will provide you with lifetime income and a tax deduction, while eliminating the capital gains liability you would have faced if you had sold them. Alternatively, you can set up a Donor Advised Fund, creating a giving account from which gifts to various charities can be made. You'll get a deduction for the full value of the funding assets.

Estate Tax

Under previous law – *Tax Cuts and Jobs Act (TCJA) of 2017* – the federal estate tax exemption temporarily doubled to over \$11 million per person. Over several years, it increased for inflation, reaching \$13.99 million in 2025. It was anticipated that this provision would “sunset”

in 2026, reverting to the pre-TCJA amount. However, OBBBA canceled the expiration, and in 2026 it will be \$15 million, with adjustments for inflation in future years. Despite the generous federal exemption, many states have their own estate or inheritance taxes with significantly lower thresholds, so careful future planning remains important! For example, the Illinois estate tax exemption amount is \$4 million per person with no portability for spouses. State-specific planning is critical to reduce taxes.

An estate gift to Wheaton College through your Will, Trust, or Beneficiary Designation helps sustain Wheaton's ministry of excellent Christian higher education, while reducing possible taxation. If you have questions about strategic and tax-savvy giving, please contact us. We would love to discuss various options with no obligation!

Stay Safe!

This is how Russell James, J.D., Ph.D. and Professor of Charitable Financial Planning at Texas Tech University, describes the **benefit of gift annuities**. Not only do they provide fixed lifetime income that will never fluctuate with the markets *and* a tax deduction, but they also further Wheaton's ministry. If you have RMDs and you're not sure if you will need the income, consider funding a one-time QCD gift annuity up to \$54,000.

With strong current rates, a gift annuity is a **safe (and smart) bet!**

CURRENT RATES FOR \$25,000 CONTRIBUTION

AGE	SINGLE LIFE RATE	ANNUAL PAYMENT (PAID QUARTERLY)
65	5.7%	\$1,425
70	6.3%	\$1,575
75	7.0%	\$1,750



**CHECK OUT OUR
NEW VIDEO ON
GIFT ANNUITIES**

Upcoming Events

- **Endowed Scholarship Dinner** (by invitation): November 1, 2025
- **Family Weekend**: November 7 – 8, 2025
- **Christmas Festival – “All Ye Faithful”**: December 5 – 6, 2025

GIFT PLANNING RESOURCES AND MATERIALS

- Blanchard Society
- Charitable Remainder Unitrust (CRUT)
- Donor Advised Fund (DAF)
- Estate Review
- Gift Annuities
- Gift Planning Services Vehicles and Services
- IRA Qualified Charitable Distributions (QCDs)
- Strategic Giving
- Tax-Advantaged Retirement Account Giving
- Tax-Embedded Assets
- Wheaton College Trust Company
- Non-Cash Gifts
- Remainder Interest in a Personal Residence or Farm
- Things to Consider Before Meeting with your Attorney



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