

Lynn's Top Five

Give Yourself the Gift of Year-end Charitable Gifting

By Lynn Ballou, CFP®

In our very generous community, year-end charitable gifting is a hot topic. Let's explore ways you can still make a difference before the end of the tax year.

1) Gift Appreciated Assets: Tried and true good friend to all planners, this strategy involves gifting an asset that has appreciated, thus avoiding selling and paying tax on the gain and instead benefiting from a deduction for the fair market value, subject to some limitations. There are many types of property that you can use for this, from publically traded assets such as stocks to less liquid assets such as real estate holdings. Work with your team of advisors to discuss which asset will work best in this scenario.

2) Donor Advised Funds: Want to gift but not sure to whom? Would you like your children to participate in your largess and decision making? These are two reasons that Donor Advised Funds (DAF) are becoming a more popular planning technique. A DAF is established at a public charity and

your deduction occurs in the year that you donate to the fund. However, you can have the DAF keep the cash from the sale of the asset on hand for multiple years and advise them annually how much and to whom you'd like to gift. This is an excellent tool for raising socially aware and financially literate children and an excellent idea for those who want to give over time but need the deduction this year.

3) Gift up to \$100,000 of your annual Required Minimum Distribution (RMD): If you have already turned 70-and-a-half you know the joys of paying taxes on required minimum distributions from retirement accounts. The good news is that you can satisfy your RMD and donate to your favorite qualified charity by transferring up to \$100,000 directly to that organization from your retirement account in lieu of a required distribution. You won't qualify for a further tax deduction, but you won't need to include the RMD in taxable income, either, thus lowering your AGI (adjusted gross income).

Don't forget that the funds must go directly from your qualified retirement account to the charity and not paid to you first for transfer.

4) Charitable Remainder Trusts (CRT): I mention this simply to pique your interest as setting up a CRT is a sophisticated technique that involves advanced planning. In its simplest format you make an irrevocable gift to a qualified charity and receive an income stream and a present value income tax deduction. At your death or the end of the period set up for the income stream, the asset goes to the charity. This is an important tool for those with charitable intent and highly appreciated, often highly valued assets, who are additionally interested in reducing their taxable estate while still retaining some benefit from the asset. That said, there are many nuanced forms of charitable trusts that can be utilized to fit your needs. You definitely want a sharp and experienced advisory team guiding you during design and implementation.

5) Gifting to family: They

do say charity begins at home, and while there's no likely income tax deduction here, there is the joy of removing the asset from your estate, avoiding tax on the appreciation if it's sold for an amount higher than its basis, and the joy of benefiting a loved one. Maybe your gift will be outright cash, or maybe you'll fund their Roth IRA for the year (check the limitations!). No matter your approach and motivation that's a powerful combination of benefits and a wonderful gift. For many there's no greater joy than helping those you love while you are alive and can see the impact your gift makes in their lives.

Hopefully these ideas are helpful and resonate at this time of year when we reflect on what matters most and find ways to share our bounty and improve the lives of others. Wishing you all a wonderful holiday season!

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duce the reader to a general financial planning topics. This column should serve as a tool that should assist readers in the development of subsequent discussions with a financial planning professional. Always consult an accountant and/or attorney to assess your individual situation prior to implementing any financial planning strategy, including any strategy directly or indirectly referenced in this column."



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Business Bites

Compiled by Victor Ryerson

Ready for the Season?

The folks at Assistance Way Side Thrift Shop in Lafayette's La Fiesta Square always seem to have a seasonal event to get you in the mood for what is coming next. This time it's "Thanksgiving and Skiing in the Sierra," with hand-picked merchandise to complement both. As to the latter, I admire the organization's optimism.

Musical Chairs

There seems to be a lot of movement going on in Lamorinda these days.

Gymboree is moving into new digs at 3450 Mt. Diablo Blvd., in front of Merrill Gardens, after five years in its current quarters. You can attend the ribbon cutting this Thursday, Nov. 3, at 5pm.

As we reported in our last issue, **Home Care Assistance** will have its ribbon cutting Thursday, November 10, from 4 to 6pm at 3518 Mt. Diablo Blvd., and the folks there are very excited about it. You are welcome to drop in for a look.

The **Moraga UPS Store** in the Moraga Shopping Center has finally made its long-awaited move to larger quarters around the corner in Suite C, next to the CVS drugstore. Hopefully, the move will ease the threat to its staff of being buried under a stack of boxes or a mountain of plastic "peanuts" if the Big One were to hit at the end of the work day, always a worry at its cramped former location.

Speaking of the **Moraga Shopping Center**, word is that talks are continuing with two restaurateurs who are considering moving

into the former Terzetto's space in the same complex. Eager locals who have lost too many of their casual dining options recently are watching and waiting.

Then, of course, there is the **City of Lafayette's** impending move to new quarters yet to be found (see story on page A2). If you happen to have about 10,000 square feet of office space with 60 parking spaces around it for lease near downtown, by all means give City Manager Steve Falk a call. He would dearly love to hear from you.

Chamber Music

Lafayette Chamber of Commerce www.lafayettechamber.org (925) 284-7404 6:30 p.m. Wednesday, Nov. 9: Social Media Workshop, "Instagram for Business 101."

Lafayette Library and Learning Center, 3491 Mt. Diablo Blvd., Lafayette.

5:30 to 7 p.m. Wednesday, Nov. 16: Mixer, Bistro Burger & Grill, 965 Mountain View Drive, Lafayette. Bring your business cards!

Moraga Chamber of Commerce www.moragachamber.org (925) 323-6524
Orinda Chamber of Commerce www.orindachamber.org (925) 254-3909

For announcements of more business related events and nonprofit fundraisers, be sure to check the chamber of commerce websites. There is a lot going on in Lamorinda, especially during this busy fall season.

If you have a business brief to share, please contact storydesk@lamorindaweekly.com.

Our Candidates for State Assembly are like Apples and Oranges



Catharine BAKER



Cheryl COOK-KALLIO

PARTISAN POLITICS

- Baker is "fixed on results instead of party labels" and is "independent and effective." (Source: San Francisco Chronicle)
- Endorsed by the local Democrat, Republican, and Independent leaders we trust. (Source: BakerforAssembly.com)

- Cook-Kallio is another party-line vote. (Source: Evolve survey)
- Lacking bipartisan support. (Source: votecookkallio.com)

TAXES AND SPENDING

- Voted for a bipartisan bill to pay down pension debt. (Source: Official Assembly Records)
- Opposes new and higher taxes. (Source: BakerforAssembly.com)

- Left the city she represented with \$160 million in pension debt. (Source: The East Bay Times)
- Pledged to support over \$5 billion in new and higher taxes. (Source: Evolve survey)
- Pledged to eliminate Proposition 13's taxpayer protections. (Source: Evolve survey)

EDUCATION

- Authored legislation to reform the teacher seniority system so schools can consider the needs of children, not just the rigid seniority rules. (Source: Official Assembly Records)
- Co-authored bipartisan legislation to put California students first in University of California admissions. (Source: Official Assembly Records)

- Testified in Sacramento against basic, common-sense tenure reform and against reforming rigid seniority rules that hurt kids and teachers. (Source: Official Assembly Records)

BART STRIKES

- Supports ending BART strikes. (Source: BakerforAssembly.com)

- Supports BART strikes and her campaign is funded by the BART unions. (Source: votecookkallio.com)

TRANSPARENCY

- Refuses to fill out secret "surveys" that make promises to Sacramento special interests and lobbyists. (Source: BakerforAssembly.com)
- Passed a bill to make Bay Bridge meetings open to the public for more accountability. (Official Assembly Records)

- Looking for campaign support, Cook-Kallio made secret, written promises to Sacramento special interests and lobbyists about how she would vote, but she refuses to show those written promises to voters. (Source: votecookkallio.com)