



Giving Beyond Your Lifetime:

Estate Planning with Donor-Advised Funds



Donor-advised funds (DAFs) are a powerful tool for estate planning, allowing your client to ensure the assets they've worked hard to build create a lasting impact. With a DAF, they can support meaningful causes after they're gone while enjoying federal income tax savings during their lifetime.

How DAFs work with estate planning

A DAF is also a great tool for someone who just experienced a major windfall and needs help maximizing tax breaks.

Step 1 **Windfall and tax planning**

Minimize taxes on a large sum.

Step 2 **Open and fund a DAF**

Contribute now for tax benefits.

Step 3 **Invest and give later**

Grow funds tax free, grant to charity anytime.

Step 4 **Easy legacy transfer**

Avoid probate, name an heir.

Planning your estate can be an emotional process, but it doesn't have to be complicated.

In just a few easy steps a DAF will ensure your charitable vision is followed, even after death.



No need for ongoing fund management:

A DAF is managed by a sponsoring organization and will ensure your charitable gifts are administered smoothly and efficiently.



Legacy control & family involvement:

Name a successor grant advisor to your DAF, such as a family member to continue overseeing the fund. This successor can ensure your values and charitable wishes continue.



Avoid family disputes:

A DAF can provide clear instructions to help avoid conflicts in future charitable decision making.

Other benefits

- Assets given to a DAF avoid probate after death
- Gifts in a DAF allow for complete privacy, if you choose to remain anonymous
- Funding the DAF during lifetime could reduce income tax liabilities
- Fund the DAF through your estate to ensure charitable giving continues
- Reduce the burden of a potential estate tax

Potential major changes coming in 2026: The Tax Cuts and Jobs Act (TCJA) is set to sunset on December 31 st , 2025, unless Congress intervenes. The TCJA increased the federal estate and gift tax exemption from around \$7 million to approximately \$14 million per individual.

Review your estate plans now, whether you want to fund a DAF after death, or you want to contribute now to ensure you take advantage of the entirety of the federal exemption and receive immediate tax benefits.

The power of giving: Why generosity brings true fulfillment

Don't wait until it's too late. On average individuals start planning their estates in their 40's and 50's, and according to a report from the Lilly Family School of Philanthropy at Indiana University 85% of affluent households make annual charitable contributions.

Your clients want to make a difference—whether through leaving a legacy or helping others. Discussing their sense of purpose can strengthen your relationship.

We're here to help

Our team of experts is ready to assist with tax, complex assets, and estate planning questions. Act now, as we don't know if Congress will extend the TCJA benefits.



Contact us at askanexpert@reninc.com to start the conversation or visit us at reninc.com to learn more.