ESTATE & PHILANTHROPIC STRATEGY

Smart Giving, Lasting Impact

A Guide to the 2026 Tax Landscape, Strategic Charitable Architecture, and Basic Estate Planning Strategies

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Meet Nick

Nick Foy, CFP®

A California native, Nick has called Charlotte home since 2005. The founder of Greenway Wealth Advisors, LLC, he's dedicated to helping individuals and multi-generational families create financial plans that allow them to maximize their impact on their family and the community.

Nick started his career in personal finance at Vanguard in 2007, and he became an independent financial advisor in 2011.

He and his wife have two children and live in Dilworth.

Understanding Planned Giving

Legacy & Community Vision

Planned giving is an intentional, forward-thinking method of charitable support. Unlike routine cash donations, it coordinates your current financial planning with your core values to create a lasting, multi-generational impact.

Structured Wealth Strategy

Mechanically, planned giving uses strategic financial instruments—such as bequests, trusts, appreciated asset transfers, and beneficiary designations—to optimize your tax efficiency and protect your estate.

When structured properly, these tools let you bypass capital gains taxes, retain lifelong income options, preserve assets for heirs, and establish clear tax-exempt benefits under current codes.

Foundational Documents

Last Will & Testament

The primary document to distribute assets, name guardians for minor children, and appoint a trusted executor. Without a will, North Carolina intestacy laws dictate your asset division, potentially ignoring your personal wishes.

Medical Power of Attorney

Designates a healthcare agent to make critical medical decisions on your behalf if you become physically or mentally unable to make or communicate them yourself. Essential for seamless emergency medical response.

Health Care Directive

Also known as a living will, this legally declares your wishes regarding life-sustaining medical treatments and artificial nutrition in terminal or end-of-life situations, lifting a heavy decision-making burden from your loved ones.

The Revocable Trust

A Versatile Wealth Management Tool

A Revocable Living Trust is a highly customizable legal agreement created during your lifetime. It allows you to retain absolute control over your assets while structuring a seamless transition of your wealth.

Assets titled in the trust are managed by you as Trustee and can be modified or entirely revoked at any point. Upon incapacity or death, a named Successor Trustee steps in without court oversight.

- **Avoids NC Probate:** Trust assets bypass the public, slow, and costly court probate process, saving time and administrative fees.
- **Ensures Family Privacy:** Unlike a Will, which becomes a public record at probate, trust terms and asset values remain completely confidential.
- **Incapacity Protection:** Provides a clear mechanism for asset management without requiring a court-supervised guardianship.
- **Charitable Flexibility:** Seamlessly directs legacy match funds or remainder distributions directly to the charity of your choice, or your Donor Advised Fund.

GREENWAY WEALTH ADVISORS

0.5%

AGI ITEMIZATION FLOOR

35%

TAX BENEFIT DEDUCTION CAP

The OBBB Act Landscape

The **One Big Beautiful Bill (OBBB) Act** has fundamentally changed individual tax deductions starting in 2026.

- **New Itemization Floor:** Donors who itemize can only deduct qualified charitable contributions to the extent they exceed **0.5% of their AGI**.
- **Deduction Cap:** For taxpayers in the highest bracket, tax savings from itemized charitable deductions are capped at **35%**.
- **A Strategic Mandate:** Small or routine recurring direct gifts will generate diminished tax rewards, driving the need for smarter giving vehicles.

Strategy 1: Maximizing QCDs

$111,000

ANNUAL LIMIT (AGES 70½+)

For donors age 70½ or older, the **Qualified Charitable Distribution (QCD)** remains the premier strategic mechanism to minimize taxes and maximize giving.

- **Absolute Tax Neutrality:** QCDs transfer funds directly from your Traditional IRA to a qualifying 501(c)(3) public charity. The income is **completely excluded from your AGI**. Be careful when filing!
- **Satisfying RMDs:** Direct transfers satisfy your Required Minimum Distribution (RMD) obligations for the calendar year without increasing your tax bracket. Note that QCDs can begin before RMDs do.
- **Inflation-Adjusted Limits:** For 2026, the OBBB framework recognizes inflation-adjusted QCD limits up to **$111,000 per individual**.

Strategy 2: Bunching & the Donor Advised Fund

The 0.5% AGI Floor Hurdle

Because the 2026 OBBB Act introduces a 0.5% AGI floor on itemized deductions, small yearly donations lose a portion of their tax benefit. A taxpayer with $200,000 in AGI must now clear a $1,000 charitable deduction floor annually.

Strategic "Bunching"

By concentrating multiple years of contributions into a single calendar year, you exceed the 0.5% AGI floor, capturing the maximum deduction in the high-income year while supporting your giving goals over time.

Leveraging the DAF

Bunching works perfectly with a Donor Advised Fund. You take a larger upfront tax deduction today, invest the capital tax-free, and distribute funds whenever desired.

Strategy 3: Tax-Inverted Estate

Traditional estate structures often leave the wrong assets to the wrong beneficiaries, incurring needless taxes.

Inverting your bequest plan is a simple way to create a more tax-efficient estate.

Asset Type	Strategic Beneficiary	Heirs' Income Tax Liability	Estate / Structural Advantage
Traditional IRAs (Pre-Tax)	501(c)(3) Charity	0% (Tax-Exempt)	Avoids "Income in Respect of a Decedent" (IRD) tax completely.
Roth IRAs	Heirs (Individual Family or Trust)	0% (Tax-Free)	Provides heirs with tax-free growth and tax-free distributions.
Taxable Portfolios & Real Estate	Heirs (Individual Family or Trust)	0% (Step-Up)	Heirs can receive a full Step-Up in Basis to date of death value.

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$2,000

MARRIED JOINT FILERS

$1,000

SINGLE TAXPAYERS

The Non-Itemizer Benefit

Millions of households which previously might have received no tax benefit for their charitable giving may now claim a direct tax reward.

- **Above-the-Line Deduction:** This brand-new deduction directly lowers your Adjusted Gross Income (AGI) without needing to file Schedule A.
- **Cash Contributions Only:** The benefit is strictly limited to cash donations directed to qualifying 501(c)(3) public charities, such as the Library Foundation.
- **Exclusion Rules:** Donations to DAFs, supporting organizations, or physical/non-cash asset contributions do not qualify for this specific above-the-line deduction.

Smart Stewardship Starts Here.

Every estate and tax situation is unique. Aligning your strategy requires careful coordination between your legal, tax, and investment advisory teams.

Your Tax Advisor

For providing insight into the most tax-efficient way to provide a legacy.

Your Estate Attorney

For drafting custom estate planning vehicles including charitable bequests.

Your Fiduciary Financial Advisor

To integrate the estate and tax plan into the investment portfolio.

The strategies we discussed—whether optimizing QCDs, structuring a revocable trust, or utilizing strategic bunching—are most powerful when tailored to your unique financial situation.

To meet with one of our advisors, visit greenwaywealth.com and click “Meet with Us” so schedule a 15-Minute Introductory Call.