FIDELITY Charitable®

Year-End Charitable Tax Strategies for 2025

Presented by Fidelity Charitable®

What we'll cover

1. How the charitable deduction works, including limits and implications from the new legislation

2. Strategies to help you potentially maximize your donation and reduce your taxes

3. Considerations for using a donor-advised fund like the Fidelity Charitable® Giving Account® versus making a direct gift

How the charitable deduction works

And choosing the right asset to give

Poll

If you have given to charity in the last year, what did you use to give?

- Cash or credit card
- Wrote a check
- Donated goods
- Stock
- A complex asset, such as restricted stock

Popular assets to give

Cash

Appreciated securities

Complex, non-publicly traded assets

Percentage of types of assets contributed to Fidelity Charitable in 2024, by dollars

33%
Cash

10%
Non-publicly traded assets

57%
Publicly traded securities

Benefits of donating long-term appreciated assets or complex assets

- Generally entitled to the full fair market value tax deduction[1] at the time of gift
- Potentially reduce or eliminate capital gains tax
- Give more by donating directly to charity

[1]For contributions of complex or non-publicly traded assets, generally fair market value is determined by a qualified appraiser in compliance with IRS guidelines.

2025 tax incentives

Income tax benefits[1]
(for itemizers)

Cash adjusted gross income (AGI) limitations

- **60%** to public charities or donor-advised funds
- **30%** to private foundations

Long-term appreciated securities AGI limitations

- **30%** to public charities or donor-advised funds
- **20%** to private foundations

Capital gains[2]

Short-term appreciated securities
(owned for 1 year or less)

- Taxed at ordinary rates
- 3.8% Medicare surtax in some cases
- Deduction usually limited to cost basis

Long-term appreciated securities

- Taxed at 15% or 20%
- 3.8% Medicare surtax in some cases
- Deduction usually equal to the fair market value at the time of contribution

[1] Generally deductions exceeding these AGI limits can be carried forward for up to five additional years.
[2] May be eliminated if long-term appreciated assets are contributed to a public charity.

Donate appreciated securities to potentially reduce taxes and increase giving

$20,000

Donation to charity

CASH, CARD, OR CHECK	**STOCK** *($20,000 fair market value (FMV / $10,000 cost basis)*
What is the purchasing power of each asset?	
$20,000	**$17,620** *After -$2,380 in capital gains tax and Medicare surtax*
If donated, how much does the charity receive?	
$20,000	**$20,000**

Potential income tax savings

35% tax bracket

Donating post-sale proceeds	vs.	**Donating the stock directly**
$17,620 income tax deduction		**$20,000** income tax deduction
$6,167 income tax savings		**$7,000** income tax savings

Greater tax deduction, greater contribution

This is a hypothetical example for illustrative purposes only. The chart assumes that the donor is in the 35% federal income bracket and will itemize deductions. State and local taxes and the federal alternative minimum tax are not taken into account. Please consult your tax advisor regarding your specific legal and tax situation. Information herein is not legal or tax advice. Assumes all realized gains are subject to the maximum federal long-term capital gains tax rate of 20% and the Medicare surtax of 3.8%.

Poll

Do you typically take the standard deduction or itemize?

- Take the standard deduction
- Itemize my deductions
- Depends year to year

Maximize your donation

And incentives to give back this year

One Big Beautiful Bill Act

Changes to the charitable sector

	Tax Cuts and Jobs Act (2017)	One Big Beautiful Bill Act (2025)
Individual charitable deduction	Itemizers can deduct contributions, subject to limits by type	1. Only contributions >0.5% of base deductible (2026) 2. 60% of adjusted gross income cash contributions limit made permanent 3. Nonitemizers can deduct up to $1,000/$2,000 (2026)
Corporate charitable deduction	Deductions allowed with type-based limits	New 1% minimum threshold for deductions (2026)

Notable OBBBA provision potentially impacting the charitable sector:

Itemized deduction cap: 35% cap on total itemized deductions, including charitable contributions

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Accelerate 2025 gifts

- Charitable deductions capped at 35%
- New “floor” on charitable deductions (corporate & individual)

Bunching in 2025

Scenario: Donor is in the 32% federal income tax bracket, files jointly as a married couple, and itemizes deductions.

	2025	2026	2027		2025
Other deductions	$25K	$25K	$25K		$25K
Charitable donation	$12K	$12K	$12K		$36K
Amount over standard deduction of $31,500	$5,500	*$1,750	*$1,750		$29,500
Potential tax savings	$1,760	$560	$560	vs.	

$2,880 TOTAL

$9,440

$6,560 MORE SAVED VIA BUNCHING

*New 0.5% AGI floor on charitable deductions, effective in the 2026 tax year.

This is a hypothetical example for illustrative purposes only. This example does not take into account other deductions. Information herein is not legal or tax advice. As with any tax-planning strategy, there may be additional considerations that pertain to your client's personal situation. Other strategies may provide more flexibility and similar savings. Please consult your tax advisor.

The Giving Account®

A donor-advised fund program sponsored by Fidelity Charitable®

Giving with a donor-advised fund (DAF)

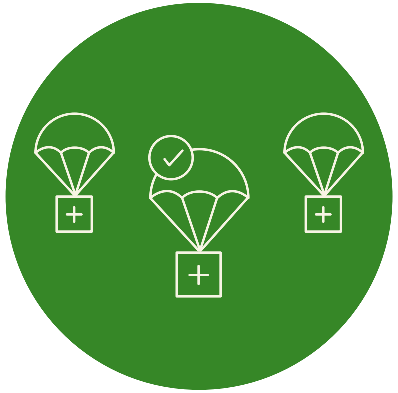
A donor-advised fund is one of the easiest and most tax-advantageous ways to give to charity

Give

Make a tax-deductible charitable contribution

Grow

Contributions can be invested



Grant

Recommend grants to IRS-qualified charities

Compare ways to give

	Check/Cash/Credit	Qualified charitable distributions	Donor-advised funds
Organizations you can support	Public charities	• Qualified charitable distributions (QCDs) can be made only to certain IRS-qualified charitable organizations • QCDs cannot be made to donor-advised fund sponsors, private foundations, and supporting organizations, though these are categorized as charities	IRS-qualified public charities
Income tax deduction* **Percentage of adjusted gross income*	60% to qualifying charities[1]	QCDs allow you to donate $108,000 (2025) directly to charity from an IRA[2]	• 60% for cash • 30% for appreciated assets[3]
Recordkeeping	Manual tracking of receipts and documentation for tax purposes	Requires IRA distribution records and charity acknowledgment for tax reporting	Uses one charitable entity for tax purposes no matter how many charities supported. Information available online in one centralized place
Growth potential and option to donate non-cash assets	✗	✗	✓
Option to support charities anonymously	✗	✗	✓
Consider this when	**You want to make one-off donations and manage your own donation receipts at tax time**	**You are age 70½ or older and want to satisfy your required minimum distribution (RMD) while supporting charity without increasing taxable income**	**You want a flexible giving solution with low costs and the potential to grow contributions tax-free over time**

[1] When donating to a public charity; 30% when donating to a private foundation
[2] Not taxed as ordinary income (if you are age 70½ or older)
[3] Appreciated assets held for over a year are generally deductible at fair market value (this applies to both publicly and non-publicly traded assets)

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Year-end contribution guidelines

November 10	Mutual funds held outside of Fidelity Investments®
December 1	Control and restricted stock
December 12	Assets held at Fidelity Investments® in a managed account[1]
December 26	Cryptocurrency[2]
December 31	• Publicly traded securities other than mutual funds held outside Fidelity Investments • Wire transfers • Electronic funds transfers (EFTs) • Assets held at Fidelity Investments • Checks* • Physical stock certificates*

To be eligible for a 2025 charitable tax deduction, contributions may need to be initiated **as early as November.**

[1] For phone contributions only. Web contributions must be initiated online by 11:59 p.m. ET December 31, 2025.
[2] Paperwork must be received by December 26. Assets must be received and cleared through the blockchain by 11:59 p.m. ET December 31, 2025.
*Items mailed must be postmarked by USPS no later than December 31, 2025. If sent by third-party provider (UPS, FedEx, etc.), mail must be received by December 31, 2025.
Dates are specific to Fidelity Charitable Giving Account® contributions. For further details, visit FidelityCharitable.org.

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Next steps

Visit www.FidelityCharitable.org.

Open a Giving Account, try our demo and calculators, and discover smarter giving strategies.

Join us on November 13

Ask the Experts: The Fidelity Charitable® Giving Account® webinar

Disclosures

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