2025 · COMMON CHARITABLE GIVING VEHICLES

Stephens Wealth Management GROUP

	DONOR ADVISED FUND (DAF)	CHARITABLE LEAD TRUST (CLT)[1]	CHARITABLE REMAINDER TRUST (CRT)[1]	POOLED INCOME FUND (PIF)	CHARITABLE GIFT ANNUITY (CGA)
VEHICLE TYPE	Dedicated Charitable Fund	Irrevocable Trust	Irrevocable Trust	Irrevocable Trust	Lifelong Annuity Contract
WHAT DOES THIS VEHICLE DO?	A DAF gives donors full control over when and how much they distribute to a charity, while also providing a tax deduction	A CLT pays a stream of income to a charity for a defined period, leaves a death benefit to a person, and provides a tax deduction	A CRT pays a stream of income to a person for a defined period, leaves a death benefit to a charity, and provides a tax deduction	A PIF pays a stream of income to a person for a defined period, leaves a death benefit to a charity, and provides a tax deduction	A CGA pays a stream of income to a person for a defined period, leaves a death benefit to a charity, and provides a tax deduction
WHY MIGHT SOMEONE CONSIDER CHOOSING THIS VEHICLE?	Can keep assets invested with your custodian/advisor while maintaining control over the timing and amount of distributions	Removes assets from being subject to the estate tax while preserving/growing a legacy value to heirs (for nongrantor trusts only)	More privacy and control over the management of the trust (when compared to a PIF)	Potential for higher income (though less predictable), and allows for younger income beneficiaries	Actuarially derived income calculation, which may be suitable to those with good health and longevity
WHO RECEIVES THE INCOME/DISTRIBUTIONS?	The charity	The charity	The donor, family, or heirs	The donor, family, or heirs	The donor, family, or heirs
WHO RECEIVES THE DEATH BENEFIT?	The charity	The donor, family, or heirs	The charity	The charity	The charity
WHO RECEIVES THE TAX DEDUCTION?	The donor	Grantor: The donor Nongrantor: The trust	The donor	The donor	The donor
ARE ADDITIONAL DEDUCTIBLE CONTRIBUTIONS ALLOWED?	Yes	CLUT: Yes CLAT: No	CRUT: Yes CRAT: No	Yes	No
CAN IT BE FUNDED WITH A QCD?	No	No	Yes, subject to limitations	No	Yes, subject to limitations
DO I HAVE CONTROL OVER THE UNDERLYING INVESTMENTS?	Yes	Yes	Yes	No	No
DO I HAVE CONTROL OVER THE TIMING/AMOUNT OF DISTRIBUTIONS?	Yes	CLUT: Yes CLAT: No	CRUT: Yes CRAT: No	No	No
IS THE INCOME FIXED, FLEXIBLE, OR VARIABLE?	Flexible	CLUT: Variable CLAT: Fixed	CRUT: Variable CRAT: Fixed	Variable	Fixed

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IS THERE A REQUIRED MINIMUM AGE FOR INCOME BENEFICIARIES?	N/A	N/A	Yes	No	Yes
WHO SETS THIS VEHICLE UP?	A custodian	An attorney	An attorney	A nonprofit organization	A nonprofit organization
IS A SEPARATE TAX RETURN REQUIRED?	No	Yes	Yes	Yes[2]	No
WHAT IS THE AMOUNT OF THE TAX DEDUCTION?	The contribution amount	Grantor: The present value of the charitable interest Nongrantor: The gross income distributed each year	The present value of the remainder interest	Calculated based on several variables[3]	The contribution less the present value of the payments that will be made to the annuitant
WHEN DOES INCOME/ DISTRIBUTIONS BEGIN?	Flexible	Immediately	Immediately	Immediately	Immediately or Deferred
IS THE INCOME/ DISTRIBUTION TAXABLE?	No	"Excess income" generated is taxable to the trust	Yes	Yes	Yes
HOW IS THE INCOME TAXED?	N/A	Taxable at trust rates	Variable and complex taxation rules[4]	Fully taxable as ordinary income	Pro rata taxation until basis is recovered, then fully taxable[5]
HOW MUCH INCOME IS PAID OUT?	Flexible	Fixed percentage of the FMV CRUT: Valued annually CLAT: Valued at inception	5–50% of the FMV CRUT: Valued annually CRAT: Valued at inception	The PIF pays out all income generated anually	Determined actuarially (e.g., age, sex, single, joint, etc.)
HOW LONG DOES THE INCOME LAST?	Flexible	(1) Over the lifetime of an individual (or individuals) (2) A set period of years	(1) Lifetime (single or joint) (2) Fixed term (1–20 years)	Over the lifetime of an individual (or individuals)	Lifetime (single or joint)
IS THE DEATH BENEFIT TAXED?	No	Grantor: Yes, estate tax Nongrantor: No	No	No	No

[1]In general, a charitable unitrust (e.g., CRUT, CLUT) may give one more control and flexibility, while an annuity trust (e.g., CRAT, CLAT) may give one more predictability toward a specific desired outcome. However, the factors behind such a decision are complex and may require the assistance of a professional (i.e., an attorney).
[2]While a PIF does require an annual tax return to be filed, this is generally handled by the charity that is running the PIF.
[3]The tax deduction amount for a PIF is determined by several factors (e.g., FMV of gift, IRS-determined rate of return, number of income beneficiaries, ages of beneficiaries, etc.).
[4]The taxation of CRT distributions follows a complex hierarchy that first taxes certain types of income before taxing other types of income (e.g., ordinary income, capital gains, tax-free, principal, etc.).
[5]Income from a CGA is derived via annuitization and consists of gains (taxed as ordinary income) and basis (nontaxable). It becomes fully taxable as ordinary income once the basis is recovered.