

Smart Gifting: Give with Confidence, Not Regret

Thinking about giving money to your kids, grandkids, or a favorite cause — but worried you might do it “wrong” or regret it later? You’re not alone.

A lot of people love the *idea* of gifting, but then get stuck asking:

- *What if I give away too much and need it later?*
- *Will this trigger gift taxes or mess up my retirement?*
- *Is now the right time?*
- *What if my gift gets misused?*



Totally normal concerns. The good news? With a little planning, you can give in a way that feels generous, thoughtful, and smart — all without sacrificing your own financial security.

Why Gifting Should Be Part of Your Financial Plan

Gifting isn't just a nice gesture — it's a strategic move that can help:

- Lower your future estate taxes
- Support the people or causes you care about *now*
- Let you see the impact of your generosity firsthand
- Give your loved ones a financial head start
- Align your money with your values — instead of just letting it sit

And when done right, gifting doesn't mean “giving it all away.” It just means being intentional with how and when you give.

The Smartest Ways to Give (Without Regret)

1. Use the Annual Gift Tax Exclusion

Each year, you can give money to anyone — kids, grandkids, friends — up to a certain limit *without having to file a gift tax return*.

- In 2024, that's \$18,000 per person

- Couples can give \$36,000 per person by splitting gifts
- It's a simple way to gradually move wealth out of your estate

Translation: You can give freely without tax headaches — and without dipping into the money you might still need.

2. Boost Education Savings with 529 Plans

Want to help a grandchild with college? A 529 plan is a tax-smart way to do it.

- You can contribute up to 5 years' worth of gifts at once — up to \$90,000 per child (or \$180,000 as a couple)
- Money grows tax-deferred and comes out tax-free for qualified education expenses
- You keep some control over how the money is used

Bottom line: You support education without creating confusion or giving too much too fast.

3. Pay Tuition or Medical Bills Directly

This one's a hidden gem. If you pay a school or medical provider *directly*, it doesn't even count as a "gift" — meaning there's no limit and no paperwork.

- Covers tuition, surgeries, prescriptions, insurance premiums — you name it
- Keeps your other gifting opportunities wide open

Perfect if you want to make a big impact without touching your annual or lifetime gift limits.

4. Give to Charities (and Feel Good Doing It)

Charitable giving isn't just good for the soul — it's good for your tax plan, too.

- Cash donations can be tax-deductible
- Set up a Donor-Advised Fund to give over time while getting a deduction now
- If you're 70½ or older, consider a Qualified Charitable Distribution (QCD) from your IRA — it can count toward your required minimum distributions (RMDs) and lower your taxable income

Give now, give later — and reduce your taxes while you're at it.

5. Use Your Lifetime Exemption While It's High

You can also give larger amounts above the annual exclusion using your lifetime gift and estate exemption — currently over \$13 million per person (as of 2024).

But here's the catch: that number is set to drop in 2026, possibly cutting it in half.

If you're thinking about passing on significant wealth, acting now could save your estate big time in taxes later.

How to Start (Without Overcomplicating It)

Getting started doesn't have to be hard. Try this:

- 1. Look at your full financial picture.** Make sure any gifts fit comfortably into your own retirement and long-term care plans.
- 2. Decide what matters most to you.** Is it helping family, giving back, or just reducing future taxes? Let that guide your strategy.
- 3. Talk to a professional.** Seriously — this is where I come in. I'll help you navigate the rules, avoid mistakes, and create a plan that feels good.
- 4. Keep it organized.** Track larger gifts, save documentation, and file IRS Form 709 if needed (only when going over annual limits).
- 5. Review as life changes.** Gifting isn't a one-and-done thing. Revisit your plan regularly to adjust as laws, needs, and goals evolve.

Gifting doesn't have to be all-or-nothing, or feel like a financial risk. Done right, it's one of the most meaningful and strategic things you can do — for the people you love, the causes you care about, and your own peace of mind.

If you're ready to start gifting — or just want help figuring out how much, when, and to whom — I'm here to help.

Let's build a plan that works for *you* — today and in the future.

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