



(UBS)

Use a DAF in 2025 to frontload your charitable giving

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Maximize your tax savings and philanthropic impact

A Donor-Advised Fund (DAF) is a flexible and tax-efficient way to support the causes you care about. You can open and contribute to a DAF at any time, receive an immediate tax deduction in the year of your contribution, and retain the flexibility to recommend grants to your chosen charitable organizations from your DAF over time.

With the charitable deduction changes in the One Big Beautiful Bill Act of 2025, now is the ideal time to consider “superfunding” a DAF. By using a charitable gifting strategy called “bunching” or “bundling,” you can get ahead of the new 0.5% adjusted gross income (AGI) floor required for charitable tax deductions starting in 2026.

How to accelerate giving in 2025 with a DAF

Direct Giving

- Give \$25,000 annually directly to a charity from 2025 through 2028
- Total contribution: \$100,000 (over 4 years)
- Tax deduction: \$85,000 (over 4 years)

(A portion of the tax deductions will be disallowed)*

DAF Bunching

- Contribute \$100,000 to a DAF in 2025
- Total Contribution: \$100,000 (all in 2025)
- Tax deduction: \$100,000 (all in 2025)
- Grant \$25,000 from you DAF to a charity each year from 2025 through 2028

As you can see above, these two approaches to gift \$25,000 to a charity each year for the next four years, but results in a larger tax deduction by using the DAF bunching strategy in 2025.*

**Assumes \$1 million AGI, resulting in a lost tax deduction of \$5,000 per year (\$1 million x 0.5%). The higher your AGI, the greater the lost tax deduction.*

Since year-end is giving season, most DAFs are opened at this time. Plan to start the process of opening and funding a DAF no later than mid-December. Donating cash is not your only option – donating long-term appreciated securities can be even more tax-efficient, providing the double tax benefit of avoiding capital gains tax on the appreciation, and receiving a charitable tax deduction equal to the securities' current market value.

Learn more about UBS's DAF offering [here](#) and talk to your Financial Advisor to explore how a DAF can support your philanthropic goals while optimizing your tax planning.

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