



Giving

at Year End

Your gift to our parish will help to sustain our parish ministries and the work of our Church. We hope that you will find this information useful as you consider your year-end giving!

A Gift of Stock — Provides Tax Advantages

A gift of appreciated stocks or mutual fund shares can provide you with the best tax advantages. You will get a charitable deduction for the full amount of the gift, just as you would if your gift was made with cash, and you don't incur capital gains tax on the appreciation. If you can't use all of the income tax charitable deduction resulting from the gift, you can carry it forward for up to 5 years!

How to Transfer a Gift of Stock

Gifts of stock or mutual fund shares can be given to benefit your parish, favorite Catholic school, or the Diocese of Rockford. The proceeds can be restricted according to your wishes, or directed to a building fund, Diocesan Annual Appeal or an endowed fund in *The Catholic Foundation*. For transfer instructions, please call the Office of Charitable Giving or The Catholic Foundation at 815-399-4300.

Donating IRA Assets to Charity

Turn your Required Minimum Distribution (RMD) into charitable donations. If you are 72 (70 1/2 or older before January 1, 2020), you can donate up to \$100,000 tax free from your IRA each year. Your distribution will not be included in your income if it is sent directly to your parish. ***The RMD's have been suspended for 2020.*** For 2021 and after, these annual withdrawals are subject to ordinary income taxes.

Deduct Now—Gift Later

Donor Advised Funds allow you to establish an account in *The Catholic Foundation* in your (or a loved one's) name that may be distributed later. You can choose to establish either an endowed or a provisional Donor Advised Fund. The endowed fund type is designed to retain the principal (or corpus) at all times with only the earnings and market gains available for distribution. The provisional fund type, on the other hand, allows for the distribution of both the earnings and principal.

Charitable Gift Annuities

Charitable Gift Annuities provide for your own and your family's financial future with a dependable, secure, and unchanging life income. You write a check or give securities to *The Catholic Foundation* for the benefit of your parish, Catholic school or the diocese, and we agree to pay you a fixed payment for as long as you live.

Benefits of a Charitable Gift Annuity include:

- Lifetime income for you and/or a secondary beneficiary.
- A charitable income tax deduction (if you itemize).
- A portion of your payments not subject to federal income tax.
- Favorable treatment of capital gains taxes on gifts using appreciated stocks.
- Deferred gift annuities allow you to establish your gift now and defer your payments to a future date at an even higher rate.
- The satisfaction of knowing that you are supporting your Catholic faith.

The chart indicates the approximate annuity payment based on a single life annuity:

On a gift of \$50,000, a person 75 years old could expect to receive an annual payment of \$2,700 (5.4%) and an initial tax deduction of \$20,875.

The minimum amount required to establish a Charitable Gift Annuity is \$5,000.

AGE	RATE
90	8.6%
85	7.6%
80	6.5%
75	5.4%
70	4.7%
65	4.2%

Please remember the Church in your estate planning.

PLEASE CONSULT YOUR FINANCIAL ADVISOR BEFORE MAKING ANY CHARITABLE GIFTS.

CATHOLIC DIOCESE OF ROCKFORD

P.O. Box 7044 • Rockford, IL 61125 • Phone: 815-399-4300 • Web: www.rockforddiocese.org/

Now is the Time to Consider a Charitable Gift Annuity (CGA)



Did you know a CGA gives twice?

First to you – then to your parish, school or diocesan entity

- Lucrative Rates
- Your quarterly distributions are fixed (no economy or market fluctuations)
- Your gift annuity can be single life or joint life

CURRENT CGA RATES

The single life rates, determined by the American Council on Gift Annuities, are as follows (for joint life rates, which are a bit lower, please contact us):

AGE	RATE	AGE	RATE	AGE	RATE	AGE	RATE
65	4.2%	72	4.9%	79	6.2%	86	7.8%
66	4.3	73	5.1	80	6.5	87	8.0
67	4.4	74	5.2	81	6.7	88	8.2
68	4.5	75	5.4	82	7.0	89	8.4
69	4.6	76	5.6	83	7.2	90+	8.6
70	4.7	77	5.8	84	7.4		
71	4.8	78	6.0	85	7.6		

minimum age 65; min. amount: \$5,000 ACGA rates effective July 1, 2020

WHAT IS A CHARITABLE GIFT ANNUITY?

A Charitable Gift Annuity (CGA) is a contract between you and the Catholic Foundation for the People of the Diocese of Rockford, in which you transfer ownership of cash, securities or other assets, and receive a guaranteed fixed payment for life. Upon your death, the remainder of your gift is distributed to your parish, school, or other diocesan agency.



For the People of the Diocese of Rockford

Dan O'Malley | Executive Director | 815-399-4300 | domalley@rockforddiocese.org

Donating IRA assets to charity

Turn your Required Minimum Distributions (RMD) into charitable donations

IRS rules mandate that retired individuals after they reach age 72 (70 ½ if you turned 70 ½ before January 1, 2020) to take RMDs from their IRA each year, regardless of whether the income is needed. **The RMD's have been suspended for 2020.** For 2021 and after, these annual withdrawals are subject to ordinary income taxes. By making a charitable contribution from your IRA, you can satisfy your RMD amount without reporting additional income. This provision may be especially attractive for retirees who do not need all the income from their IRA to meet current living expenses. By donating the money to charity, you can enjoy the satisfaction of knowing that you are contributing to a worthy cause while effectively lowering your tax bill.



How it works

The provision allows retirees after they reach age 72 (70 ½ if you turned 70 ½ before January 1, 2020) to donate up to \$100,000 tax free from their IRA each year. Generally, when you take a distribution from your IRA, it is treated as taxable income. Under this provision, made permanent in the 2015 federal spending and tax package, those assets are excluded from income if the distribution is made directly to charity. The distribution is not included in your income so you avoid the potential negative consequences that regular IRA withdrawals in retirement can create, including taxes on Social Security benefits. Distributions excluded from income are also equivalent to a 100% deduction. Normally, charitable contribution deductions are limited to a lower percentage (or are eliminated altogether) for taxpayers who do not itemize and take the standard deduction.

Guidelines for donating IRA distributions to a charity

Eligibility	IRA account owner must be at least age 72 or 70 ½ if you turned 70 ½ before January 1, 2020 at time of IRA distribution in order to take advantage of this provision. Rule applies only to Traditional, Rollover, and Roth IRAs; SEPs and SIMPLE IRAs are generally excluded. Distributions of non-deductible IRA contributions also do not qualify.
Annual Limit	Maximum amount of a taxpayer's qualified charitable distribution must not exceed \$100,000 per tax year and may include required minimum distributions (RMDs).
Qualifications	Distribution must be made directly to a qualifying charity; private foundations and donor-advised funds are not eligible. Consult a tax professional for additional information.
Direct Contribution	The IRA Trustee or custodian must make the distribution directly to the charity. Distributions made payable to the IRA owner and transferred to the charity will not qualify.

Example: Tax savings from donating required IRA distribution to a qualified charity

- Charitably minded retired couple over the age of 72 with income of \$80,000
- Required distributions from IRA totaling \$10,000
- Claiming the standard deduction on tax return
- They make annual charitable gifts of \$10,000 annually

	Donate RMD to charity	Write a check to charity
Income	\$80,000	\$80,000
RMD	\$0	\$10,000
Total Income	\$80,000	\$90,000
Standard Deduction	(\$26,600)	(\$26,600)
Taxable income	\$53,400	\$63,400
Tax bill	\$6,027	\$7,227

Tax savings of \$1,200

Please consult your own tax advisor before engaging in any transaction.