

Benefits of Year-End Giving

If you are considering a gift to our campaign and are looking for ways to decrease your income tax liability for 2019, then time is of the essence! By incorporating one or more of the strategies below into your year-end tax planning, you may be able to save money by supporting the Forward in Faith Campaign and the values for which it stands.

1

Maximize Your Charitable Deduction by Bundling Donations

Are you concerned that a gift to our Forward in Faith Campaign, along with other charitable gifts will NOT push you over the standard deduction for 2019*?

Solution: Consider bundling several years' worth of charitable gifts into 2019. This strategy may allow you to exceed new thresholds for itemizing and enable you to make a gift to our Forward in Faith Campaign.

Example: If you are a couple who typically give \$2,000 a year to charity, and have \$22,000 in other deductions, you will have \$24,000 in deductions. But since the standard deduction gives you \$24,000, regardless of your charitable and other deductions, from a tax standpoint, you might as well not have given the \$2,000. However, if you take three years of typical giving and bundle it into \$6,000 in giving in 2019, you will have \$28,000 in itemized deductions. This would allow you to take advantage of an additional \$4,000 of deductions this year, just by giving the same amount in 2019 that you would have otherwise given over three years!

* Standard deduction for 2019: \$12,000: single taxpayers; \$18,000: head of household; \$24,000 married, filing jointly.

2

Give the Gift of Appreciated Securities and Lower Your Taxes

You're trying to figure out how to best benefit from the sale of your appreciated securities or real estate. Do you really want to pay that hefty capital gains tax in April?

Solution: If you make charitable gifts of appreciated investments or real estate, held for more than one year, rather than cash, you will avoid paying capital gains tax on the sale and you can benefit from keeping the cash you ordinarily would use to make charitable donations. The charity will get 100% of the value of the appreciated asset instead of you getting the net value after paying taxes.

3

Give More for Less with an IRA Charitable Rollover

You're age 70 ½ or older and you don't really need the required minimum distribution (RMD) from your Individual Retirement Account (IRA). In fact, your IRA is probably hurting your financial situation more than helping because of the taxes you incur from the distribution.

Solution: Instead of making a cash gift from other sources, consider gifting some or all of your remaining RMD to our Forward in Faith Campaign and avoid paying tax on that required distribution! This strategy reduces your adjusted gross income and taxable income, which results in a lower overall tax liability for 2019. You can direct up to \$100,000 per year from your IRA. **To receive the tax benefit, the distribution must go directly to Saint John Neumann** and not be paid to you directly to contribute to SJN. Also, the distribution cannot be made to a donor advised fund and then to SJN.