



# 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](http://www.rockforddiocese.org)

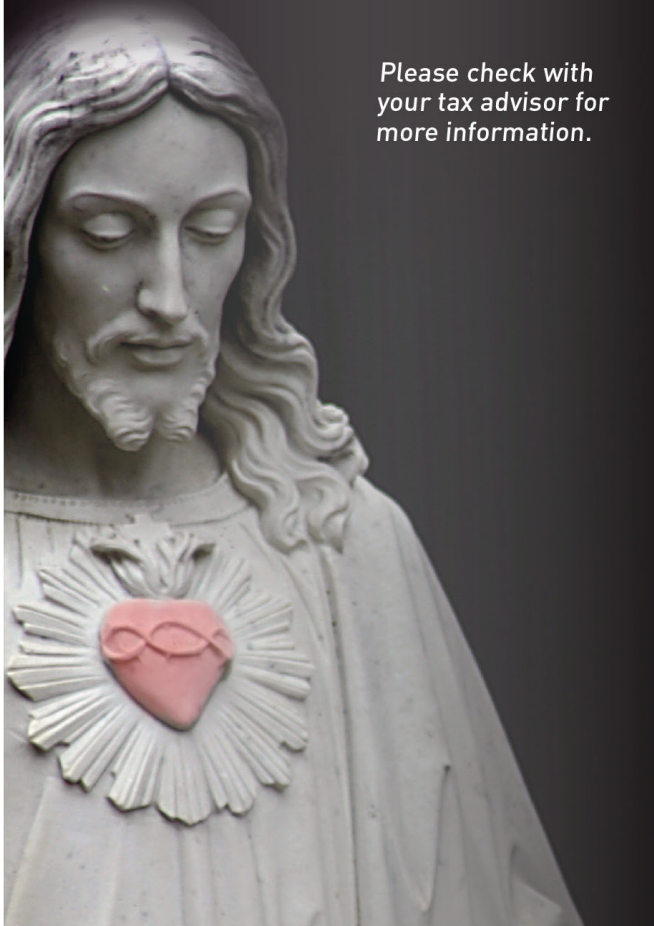
# 2020 Special Tax Benefits for Charitable Donations

*If you do not itemize on your tax return*

## The CARES Act allows for a \$300 charitable deduction in 2020

A reduction in taxable income is available in 2020 for donors who do not itemize their deductions. It is an “above-the-line” adjustment to income that will reduce a donor’s AGI and thereby reduce taxable income.

*Please check with your tax advisor for more information.*



*If you itemize on your tax return*

## There is a Temporary Suspension of Limits on Charitable Contribution if You Itemize on Your Tax Return

Did you know that there is an increase in the deduction limit up to 100% of your annual income for cash gifts (previously the deduction was capped at 60% of your annual income).

TO QUALIFY, THE CONTRIBUTION MUST BE:

- A cash contribution
- Made to a qualifying organization
- Made during the calendar year 2020

*Please check with your tax advisor for more information.*



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