

CHARITABLE GIVING STRATEGIES

- **Seniors**, are you taking the “standard deduction” on your federal tax return and wishing you could “write off” your charitable contributions? Here is a simple way to accomplish that goal and help our parish by donating to St. Pius X. After reaching the age of 70 ½, you must withdraw annually a Required Minimum Distribution (RMD) from your traditional IRA. This withdrawal is reportable income on your federal tax return. An alternative would be to consider making a Qualified Charitable Distribution (QCD) from your IRA directly to your *Parish*. The QCD donation to our church reduces, dollar for dollar, the reportable taxable withdrawal from your IRA. Taking this approach, you are able to receive a tax benefit for your charitable donation and provide financial support to our parish. For those of you who are willing and able to contribute more than your RMD, your generosity is greatly appreciated. As always, it is recommended that you consult with your tax professional about this method of tax efficient giving.
- **Bundle Up!** You can make a Tax-Deductible donation to our *Parish* using a strategy called “Bundling”. Under the new tax law, people are finding it increasingly more difficult to itemize and therefore deduct gifts they make to charitable organizations. With the large increase in Standard Deductions (individuals - \$12,200 and families - \$24,400), most people are not itemizing deductions on their federal tax returns. New limits have been placed on the deductibility of our state and local taxes as well. As a result, modest donors typically don’t exceed the standard deduction to itemize their charitable gifts on their tax filing. Bundling your charitable giving into a single tax year can help you exceed these limits and make a portion of your gift tax deductible in the year in which you bundle your charitable gifts. A family that gifts \$10,000 annually might be better to combine two years of their giving into one calendar year. As an example, by deferring their gift to the next calendar year, their total gift for the second year is now \$20,000 and a portion of it will likely be tax deductible. Even the most generous donors will find “Bundling” as a tax efficient strategy. As we all should agree, receiving a reduction to your taxes is nice, but it is the spirit of giving to our church and other charities that defines us. It is not the size of the gift you give but rather the fact that we are working together toward a common goal.
- **Investors**, have you seen your Stocks, Bonds, and Mutual Funds grow substantially over the past few years? If so, you could face significant capital gains tax when you sell those securities. Alternatively, you could donate all or part of your investment directly to St. Pius X and avoid paying up to 20% in capital gains tax. Your contribution can potentially be 20% higher compared to selling the investment and making a cash contribution. This is a much more tax efficient method for gifting. Families who take the “Standard Deduction” when they file their federal tax return are not able to deduct donations to charitable organizations. Donating appreciated investments, instead of cash, has increased in popularity due to the potential tax savings. For more information visit the Diocese of Harrisburg Website to learn more and download the Donation Form required to gift securities to the *Parish*.

Useful information about different charitable giving strategies can also be found on the Diocesan website at <https://www.hbgdiocese.org/giving/#cga>.