

Planning FORWARD

THE IDAHO CATHOLIC FOUNDATION
 IdahoCatholicFoundation.planmylegacy.org

IDEAS FOR GIVING AND MOVING FORWARD IN 2020

Your Catholic Church in Idaho will continue its mission. While we navigate these uncertain times, God's work is more important than ever. We look forward to the day when we can all meet again and enjoy community with our Church family.

In response to the current situation, Congress recently enacted several tax law changes. We created this special publication to help you with your tax planning and to offer some ideas for you to consider if you are thinking about making a gift in support of your Church at this time.

This information is not intended as legal or tax advice. For such advice, please consult an attorney or tax advisor.

CARES Act

The new CARES (Coronavirus Aid, Relief, and Economic Security) Act is designed to help you and nonprofits facing economic hardship during the pandemic.

Here are a few key provisions that may affect

you and your charitable goals:

- If you do not itemize but make a gift to charity, you will be allowed to take a special tax deduction, up to \$300, to reduce your tax liability. Such support would have a huge impact on those we serve.

Updates

CARES ACT

DONOR ADVISED FUNDS

SECURE ACT

CHARITABLE GIFT ANNUITY

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- For those who do itemize their deductions, the new law allows for cash contributions to qualified charities such as the Church to be deducted up to 100% of your adjusted gross income for the 2020 calendar year.



SECURE Act

With the introduction of the Setting Every Community Up for Retirement Enhancement (SECURE) Act, which brought the most significant changes to retirements plans in over a decade, you may be wondering how your saving strategies might change.

A key change relates to the people you name as your beneficiaries.

Previously, all beneficiaries could take distributions throughout their lives. The SECURE Act preserved this option for spouses, but repealed it for most non-spousal retirement plan beneficiaries. This group will now have to withdraw the entire amount by the end of 10 years after your passing. When they take any distribution, they will

still pay income tax at their ordinary income tax rate.

Two Solutions

If you would rather have your non-spousal beneficiaries receive their IRA proceeds over their lifetime, you can:

1. Designate a nonprofit to establish a charitable gift annuity (CGA) or
2. Name a charitable remainder trust (CRT) as the beneficiary.

After your lifetime, the retirement plan account proceeds will be used to fund the CGA or CRT. Not only is this a great tax strategy, but you can use your retirement account to spread the distributions over a beneficiary's lifetime and ultimately support a charitable organization, such as the Church.

Donor Advised Funds

If you have a Donor Advised Fund (DAF) and wish to help us this year, you can make a gift from your DAF to support our work without affecting your personal financial security.

Charitable Gift Annuity

If you are concerned about your financial security given the ups and downs of the stock market, you may want to consider making a gift to fund a charitable gift annuity. You might be surprised by the benefits. You can exchange your low-performing stock, CDs or cash for guaranteed, lifetime fixed payments. If you make a gift of an appreciated asset, you will not have to pay capital gains when you fund the annuity. You may also benefit from a tax deduction this year and a portion of your payments could be tax-free.