

Individual Retirement Accounts (IRA)

Owners of traditional IRAs must start taking Required Minimum Distributions at age 72 or face tax penalties. The **Pension Protection Act** provides individual retirement account (IRA) owners with a mechanism for transferring their annual Required Minimum Distributions directly to charitable organizations, in order to exclude the distributions from their taxable income while simultaneously supporting the charities of their choice.

In order to qualify:

The charity must receive the donation by Dec. 31 for the amount to be applied to the person's tax return for that tax year.

Funds must be transferred directly from your IRA custodian to the qualified charity. (This is accomplished by requesting your IRA custodian to issue a check from your IRA directly to the charity. You can then request that the check be mailed to the charity, or forward the check to the charity yourself.)

The maximum annual distribution amount that can qualify for a Qualified Charitable Deduction QCD is \$100,000. This limit would apply to the sum of QCDs made to one or more charities in a calendar year. If you're a joint tax filer, both you and your spouse can make a \$100,000 QCD from your own IRAs

\$300 for Individual Donor Deduction

Up to \$300 for individual returns applies even if they don't itemize, which is favorable news for many tax filers.

Removal of Deduction Cap

The [CARES Act](#) benefit is the removal of the deduction cap on charitable contributions. For cash contributions made in 2021, you can elect to deduct up to 100 percent of your AGI (formerly 60 percent prior to the CARES Act). The AGI limit for cash contributions also remains increased for corporate donors. In 2021, corporations can deduct up to 25 percent of taxable income (formerly 10 percent prior to the CARES Act).

However, remember that under the CARES Act an individual can elect to deduct 100 percent of their AGI for cash charitable contributions. This effectively affords individuals over 59½ years old the benefits similar to a qualified charitable deduction (QCD); they can take a cash distribution from their IRA, contribute the cash to charity, and may completely offset tax attributable to the distribution by taking a charitable deduction in an amount up to 100 percent of their AGI for the tax year.

If you're planning a large donation in 2021, this may be a smart strategy as long as you are between the ages of 59½ and 70½ and are not dependent on existing retirement funds.

Donor Advised Funds (DAF)

A donor advised fund is a type of charitable investment account that provides an immediate tax benefit to you and allows you to recommend grants to charities of your choice over time. You can recommend a gift to The Episcopal Diocese of North Carolina (church/mission) today, or on a recurring basis (monthly, quarterly, semi-annually or annually) to help us enhance lives today and promote solutions tomorrow.

Appreciated Securities - Stock

Planning your giving to include gifts of stock offers valuable financial benefits:

- may help you avoid capital gains tax liability
- may allow you to take an income tax deduction for the full amount of the donation

Foundation Grants

Public and private foundations provide vital support for the impactful ministry work. Generous gifts from family, community and corporate foundations strategically help for core Mission Strategies.

For questions or additional information on ways to give please contact Chief Financial Officer for the diocese of North Carolina at Maria.Gillespie@episdionc.org. Please advise your tax professional for guidance on the best way for you to donate.