

# HOPE STARTS HERE!

Stewardship 2020/2021

Giving Sunday is November 15, 2020

[www.myesperanza.org](http://www.myesperanza.org)



## Tax Saving Strategies in Charitable Giving

### Income Tax

The standard deduction for federal income tax purposes is currently \$24,800.00 for a married couple and \$12,400.00 for an individual.

#### 1. Bunching

In bunching, you combine multiple years of giving into one year, thus creating enough of a deduction to exceed the standard deduction in one year and using the standard deduction in the off years. Thus, giving your pledge for the year over the year and next year's pledge in December of the year before.

#### 2. Long Term Appreciated Assets - Double the Tax Benefit of Your Giving!

Instead of giving cash, consider donating appreciated stock. You get the full market value of the donation as a deduction on your taxes, and you don't have to pay the capital gains tax. The church has a brokerage account for this purpose. Just be sure you have owned the stock for more than a year to qualify for the double benefit. It's a win/win for the church and your taxes. Contact Joni Thorpe and your tax advisor for more information on stock giving.

#### 3. Gifts of Regular IRA Assets

If you are 72 or older, you can gift assets from your IRA, without paying tax on that portion of the IRA withdrawal. You cannot use that gift as a deduction, but it may be advantageous to do it when using the standard deduction.

#### 4. Gifts of Retirement Accounts at Death

Charitable gifts from retirement accounts at death eliminates the income tax on the gifted amount of the retirement account.

### Estate Tax

Currently the federal estate tax exemption is \$11,580.00 per individual and the annual gift tax exclusion \$15,000.00 per donee.

#### 1. Life-Time Gifts

If your estate faces a potential estate tax, lifetime gifts provided an income tax deduction, plus remove the assets from your estate and from being subject to the estate tax.

#### 2. Gifts at Death

Charitable gifts at death remove the amount of the gift from your estate for estate tax purposes.

## **Generosity Coaches**

Feel free to consult one of our Generosity Coaches if you would like to discuss tax strategies or if you have giving related questions.

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