



**NORTHWEST**  
United Methodist Foundation  
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1-800-488-4179

# *Tax-wise giving in 2020*

## *Consider gifting pre-tax money*

**If you're over age 70.5**, you can give to the church directly from a traditional IRA. The CARES ACT has suspended Required Minimum Distributions for 2020, but you're still allowed to make a charitable distribution, gifting money that has grown tax-free. By calling the financial institution that holds your IRA and asking them to send a distribution directly to the church, you won't be liable for income tax on the gift.

**People of all ages** can make gifts of stocks, bonds, or mutual funds. When you give appreciated assets directly to the church, no capital gains tax is due. Our church can accept these gifts through the Northwest United Methodist Foundation, who receives and liquidates these gifts on our behalf without charging a fee. Call them at 1(800)488-4179 or send an email to [staff@nwumf.org](mailto:staff@nwumf.org) to make this type of donation.

## **IF YOU TAKE THE STANDARD DEDUCTION**

Under the CARES ACT, in 2020, gifts to charities like our church qualify for a "Universal Deduction" above and beyond the existing standard deduction. The limit is \$300, both for individuals and for married couples filing jointly. So, keep your charitable receipts this year, because **in 2020 you can take a modest charitable deduction in addition to the standard deduction.**

## **IF YOU ITEMIZE**

Under the CARES ACT, the previous charitable deduction limit of 60% Adjusted Gross Income has been lifted to 100%. That means, if you can afford to give away as much as you earn, **you can completely offset your income with charitable giving for 2020.**



## *The CARES ACT incentivizes giving during the pandemic*

There's no way to know whether these additional deductions will be available beyond 2020, so if you're able to take advantage of them by making a year-end gift, it's a smart idea.