St. Philips Episcopal Church
Tax efficient charitable giving.

<u>1. Qualified charitable distributions (QCDs) from individual retirement accounts (IRAs) to qualified charities.</u>

With a QCD the IRA’s taxable income may be contributed to a qualifying charity by an individual who has reached age 70½. The QCD is not reported in income, and no charitable deduction is claimed. Although it seems like the result would be the same if the individual included the IRA distribution in income, contributed the distribution to charity, and then deducted the charitable contribution on his or her tax return, using a QCD is more beneficial in many scenarios.

Individuals who claim the standard deduction can benefit from the full charitable deduction even though they do not itemize.

The full amount of a QCD can be excluded from income.

The QCD may be part of the Required Minium Distribution (RMD).

Financial institutions are not obligated to withhold income taxes from a QCD.

Taking advantage of qualified charitable deductions can lower your adjusted gross income, potentially dropping you into a lower tax bracket. And while withdrawals from traditional IRAs are considered taxable income, charitable deductions are not.

<u>2. Donate appreciated stock (or other assets) to reduce your capital gains taxes and maximize your deductible charitable contribution</u>

Long-term appreciated assets—If you donate long-term appreciated assets like bonds, stocks or real estate to charity, you generally don't have to pay capital gains, and you can take an income tax deduction for the full fair-market value of the gift. The income tax deduction is not available if you use the standard deduction and do not itemize.

<u>3. Name St. Philips in your will, trust, or life insurance policy.</u>

Legacy giving is a great way to support St. Philips because you can bequeath funds that may not be accessible in your lifetime while making a sustainable impact on St. Philips Plus, your planned giving choices can lower your income taxes and estate taxes, and may help you bypass additional expenses like probate costs.

If you are considering giving to charity after your lifetime, consider leaving assets that generate taxable income, like your IRA, to a charity, while leaving nontaxable assets like property or stocks to loved ones.