

CARES Act

For **individuals (couples) who take the standard deduction**, there is a **new universal deduction of up to \$300 (\$600)** for annual **cash donations** to religious, charitable, and educational organizations in calendar year 2020.

For **individuals who itemize**, these qualified charitable **cash donations** will be **deducted from 100% of Adjusted Gross Income (up from 60%)**.

Likewise, for **corporations**, whose donations will be deducted from **25% of taxable income (up from 10%)**. This is available in 2020.

See IRS <https://www.irs.gov/newsroom/how-the-cares-act-changes-deducting-charitable-contributions>

Qualified Charitable Distribution

If you are 70.5 or older, a donation made directly from your IRA can help you save valuable income tax dollars.

This is called a Qualified Charitable Distribution (QCD) and **allows you (and your spouse) to directly transfer up to \$100,000 (\$200,000) annually from an IRA to charity, tax-free.**

- The funds must be paid directly from the IRA to the charity.
- You get a tax break for your charitable contribution even if you are using the standard deduction.

The amount transferred from the IRA to the charity is not included in your adjusted gross income (AGI) for the year which means you can potentially avoid the loss of exemptions, deductions, credits and phase outs, alternative minimum tax (AMT), the 3.8% surtax on net investment income, and the increase in Social Security premiums for Medicare Part B and Part D.

See IRS <https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-iras-distributions-withdrawals>

Support Emanuel Congregation through Planned Giving

One of the many ways that many of our members choose to express their commitment and to make a lasting contribution to our long-term sustainability is by naming Emanuel Congregation in their wills or trusts.

There are many ways to leave a planned gift to Emanuel Congregation, free of any estate tax. Planned gifts can be made through **bequests** in your will or trust, naming Emanuel Congregation as a beneficiary of your **life insurance, IRA, or retirement plans**, purchasing a **charitable gift annuity**, and **many other gift planning vehicles**.

Bequests

What is a bequest?

A bequest to Emanuel Congregation is a basic charitable planned gift completely free of estate and other taxes. A bequest is a statement of intent that can be inserted in your will, codicil to a will, or living trust. A charitable

bequest can be established for a specific dollar amount or for a percentage of an estate or residuary estate.

How do I make a bequest?

I give _____ % of the residue of my estate to Emanuel Congregation of Chicago, a sec. 501(c)(3) charitable organization, to be used for its general purposes.

OR

I give \$_____ to Emanuel Congregation of Chicago, a sec. 501(c)(3) charitable organization, to be used for its general purposes.

Charitable Gift Annuity

With a Charitable Gift Annuity, you can make a gift to Emanuel Congregation and receive guaranteed payments for life. You transfer cash or appreciated stock to Emanuel Congregation. In return, Emanuel Congregation promises to make fixed annuity payments, guaranteed for life, to one or two annuitants. You can name yourself, or yourself and another person (such as your spouse or partner), or one or two other persons as annuitant(s). After the death of the annuitant(s), Emanuel Congregation uses the remaining value of your gift for the purpose you stipulated when you initially made your gift.

Provide a guaranteed stable income for donors and/or their loved ones.

Give donors an immediate income tax deduction for a portion of their gift and capital gain tax savings if they use appreciated stock, they have held for more than 12 months.

Pay attractive rates based on an annuitant's age. For example, at age 72, the rate would be 5.4%. The older the annuitant, the higher the annuity rate.

Charitable Lead Trust

Avoid significant gift and estate taxes for your descendants by funding a Charitable Lead Trust. Once the Trust is established, Emanuel Congregation is paid income for a term of years, at the end of which the principal of the Trust passes directly to your family or other beneficiaries you name.

Charitable Remainder Trust

A Charitable Remainder Trust can also be created during your lifetime, or through your will or living trust to pay income for life to others upon your death.

There are two kinds of Charitable Remainder Trusts:

1. An Annuity Trust pays you a fixed dollar amount per year.
2. A Unitrust pays you an annual fixed percentage of its value and is revalued each year.

Donor Advised Funds (DAF)

Make a gift through a Donor Advised Fund (DAF), an increasingly popular charitable vehicle that provides flexibility in supporting your favorite causes with favorable tax benefits.

Recommend a gift from your Donor Advised Fund through [DAF Direct](#).

IRAs or Retirement Plans

How can I leave a legacy gift to Emanuel Congregation through my IRA or retirement plan?

Avoid multiple estate and income taxes by naming Emanuel Congregation as a beneficiary of your IRAs or retirement plans. These assets are normally subject

both to estate taxes and income taxes upon death. However, if Emanuel Congregation is named as beneficiary, those taxes are avoided.

How can I make a gift to Emanuel from my IRA during my lifetime?

Federal law allows anyone 70 1/2 years or older to make tax-free gifts from their IRA to charity through **Qualified Charitable Distributions (QCD)**. To receive full tax benefits, all Qualified Charitable Distribution gifts must be sent directly from the IRA Administrator to Emanuel Congregation. Donors may gift up to \$100,000 from their IRA funds to charity each year. Donors 72 years and older can also use Qualified Charitable Distributions to fulfill all or part of their IRA Required Minimum Distributions (RMD).

Life Insurance

How can I give to Emanuel through life insurance?

Naming Emanuel Congregation as a beneficiary of a life insurance policy prevents the insurance proceeds from being included in your gross estate. In addition, the cash surrender value and all future premiums paid on the policy may be taken as a charitable deduction on your income tax return if you transfer ownership of the life insurance policy to Emanuel Congregation.

Tax ID: 36-2167054

Address: 5959 North Sheridan Road, Chicago, IL 60660

For more information about estate planning, please contact your financial and legal advisors.