



Year-End Is a Good Time to Review Your Giving Plan

The final months of the year can be a good time to review financial and personal goals—and plan for the future. Time spent considering your financial priorities, including how best to support the Diocese of Charlotte, your parish, Catholic school, Catholic agency or the Foundation, can help you maximize the impact of your gifts by taking advantage of available tax savings and other welcome benefits both now and in the future.

There are many considerations involved when reviewing and updating your plans. Changes in tax laws, possible fluctuations in the investment market and other factors may make it especially important to weigh your financial decisions carefully this year.

Taking control

As you consider your plans for the rest of 2019, remember that federal and state tax deductions are largely fixed. Your charitable deductions, on the other hand, are totally within your control.

By carefully planning your charitable gifts and completing them by December 31, you may discover new ways to reduce the amount of tax you will owe next April.

Looking to the future

Recent tax law changes make this an ideal time to review your long-range financial plans as well.

Careful planning today can play a vital role in ensuring continued economic security for you and loved ones, while still achieving your charitable goals for the Church.

Learn more

Read on for ideas that may be helpful as you determine your charitable giving plans for the remainder of the year and future gifts. We will be pleased to share additional information with you or your advisors to help you complete your gifts in a timely way to ensure maximum benefits for all. Visit our website: charlottediocese.givingplan.net or contact us to request more information.

Add Special Meaning to Your Gifts

In this season of giving, making your year-end gifts in memory or in honor of a loved one is a perfect way to support the Church and make a meaningful gift in recognition of someone special. A memorial can serve as an enduring tribute to one or more individuals while also contributing to the future of the Church. These gifts can be made with cash, appreciated securities or retirement assets.

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Using Your IRA for Charitable Giving

Now is a good time to review important financial decisions, such as the charitable gifts you want to make before the end of 2019. Giving careful thought to effective ways to make your gifts can be beneficial to you and the charities you support. In addition to the personal satisfaction that comes from giving, there can be other positive outcomes, such as discovering more tax-wise ways to make your gifts.

Special provision

If you are age 70½ or older, there is a special provision that allows you to make charitable gifts directly from individual retirement accounts (IRAs) using funds that might otherwise be taxed when withdrawn (up to a total of \$100,000 per individual per year; \$200,000 per couple with separate IRAs).

Because most funds withdrawn from IRAs are considered to be income, your total taxable income can be increased when you receive them, pushing you into a higher tax bracket. Distributions directly to the Diocese of Charlotte, your parish, Catholic school, Catholic agency or the Foundation from your IRA will not, however, be included in your taxable income whether or not you normally itemize your charitable gifts and other deductible expenses. Such gifts also

count toward all or part of your annual required minimum distribution.

Here are some advantages to giving to the Church through your IRA:

- You do not owe taxes on the transfer to us, while the amounts given still count toward your required minimum distribution amount.
- Some taxpayers are subject to limits on the number of charitable gifts they can deduct. These limitations do not apply to direct IRA transfer gifts.
- By giving directly from your IRA, you won't increase your adjusted gross income and possibly subject your Social Security or other income to higher levels of taxation.

The next step

If you are interested in making an IRA gift to the Diocese of Charlotte, your parish, Catholic school, Catholic agency or the Foundation this year or in your future plans, ask your IRA custodian for a form to arrange for a qualified charitable distribution. Or, for more information, please contact us.

One Document, Many Benefits

As you are making your plans for year-end giving, don't forget to review your estate plan. A will is the foundation of most estate plans and your will can accomplish much more than specifying how you want your property distributed. With a will, you can also:

- Designate who you want to care for your children if they are still minors.
- Provide for management of property after your lifetime.
- Waive requirements for filing complex accountings and other reports.
- Make provisions for charitable interests you support, like the Diocese of Charlotte, your parish, Catholic school, Catholic agency or the Foundation.

(See Page 4 for more details on making a gift in your will or living trust and three other options available to make a gift to the Church.)



Make the Most of Your Gifts to the Church

While you are planning your personal and philanthropic goals for the remainder of the year, here are some aspects for you to consider.

What to give

There are benefits to giving assets such as stocks, bonds and mutual funds. When you give securities or other property that has increased in value, you can often make the gift at a lower cost than a gift of cash. Using securities that you have owned for a year or more to make your year-end gifts can be a wise choice.

When you give this way, your itemized tax deduction is based on the current value of the stock, not just the amount you paid for it. As an added benefit, no capital gains tax will be owed on the increased value.

Consider this example

Let's suppose you are considering a gift of \$10,000 using either cash or appreciated stock. Which is the better choice? You originally purchased the stock for \$3,000 and it is now worth \$10,000. If you sell the stock, you will owe capital gains tax on the \$7,000 increase in the stock's value.

However, by using the securities to make your gift, you will pay no capital gains tax and you will enjoy a tax deduction based on the full value of the stock if you itemize your deductions. Making this gift enables you to use your cash in other ways—for example, repurchasing the donated stock at a higher cost basis if you prefer to retain the stock in your portfolio.

Giving appreciated securities also allows you to conserve your cash because it doesn't require you to withdraw any funds from your bank account.

Benefit from losses

If you own securities that are worth less than their original cost, it is usually better to sell them and make a charitable gift using the cash proceeds. You may then be able to claim tax benefits for both the capital loss and the charitable gift and effectively deduct more than the current value of the securities.

Please contact us or your financial advisors if you wish to join other Catholic supporters who have chosen to make gifts each year to a parish, Catholic school, Catholic agency, the Foundation or the Diocese.

Gift Planning Pointers

- Complete all gifts by December 31 to qualify for tax savings on your 2019 income tax return.
- Save all receipts and acknowledgment letters, especially for gifts of \$250 or more.
- Consider making gifts of securities that are worth more than you paid for them for greater tax benefits. (See article above for more details.)
- Those age 70½ and over should check with advisors about the ability to make tax-free charitable gifts directly from a qualifying IRA. (See Page 2 for more details.)



Four Popular Ways to Leave a Legacy

After taking care of loved ones, there are several ways to include the Church in your estate and financial plans. Here are the most popular:

1. **A gift in your will or living trust.** You may include a gift of a specific dollar amount, a percentage of what is left after other distributions have been made or a particular asset. You may be able to add a charitable gift to an existing will through a simple amendment.
2. **Naming your parish as a beneficiary of your retirement plan.** When you leave the balance of an IRA or 401(k) to your heirs, they must carefully manage the account to avoid losing its tax-deferred status and potentially triggering large income taxes and possible penalties. You can simplify matters for your loved ones by directing all or a portion of what remains in your retirement accounts to your parish and leaving other more tax-favored assets to your heirs.
3. **Turning unneeded life insurance into a gift.** You can make a Catholic school a beneficiary of a life insurance policy without changing your will. If your financial and family circumstances have changed over the years, you may have life insurance policies that are no longer needed for their original purpose, such as the payment of estate taxes that may no longer be due.
4. **Directing a Catholic agency to receive all or a portion of what remains in investment accounts through what are known as “pay on death” provisions.** If you are interested in learning more about any of these popular ways to leave a legacy, please return the enclosed reply card or contact us.



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If you choose to remember a Parish, the Diocese or the Foundation in your will, your gift should be listed as follows:

- › For a Parish, the listing should be: “Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in Office for the (name of parish, city).”
- › For the Diocese, the listing should be: “Peter J. Jugis, Bishop of the Roman Catholic Diocese of Charlotte, or his Successors in Office.”
- › For the Foundation, the listing should be: “Foundation of the Roman Catholic Diocese of Charlotte to (be added to or establish) the endowment fund.”



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