



CARES ACT CHARITABLE GIVING INCENTIVES

A note from our Treasurer, Sue Brown

I hope this letter finds you safe and well. This is a scary time, for many of us, a time unlike any most of us have experienced. While we know this will all end eventually, sometimes eventually can seem far away. It is a time when many changes are occurring in our lives and in our laws. We as a church rely on your donations to support our mission and ministry. Stewardship can be deeply spiritual, rooted in our desire to reorient our lives toward God. The Cares Act, signed into law on March 27, 2020, includes several provisions that may affect charitable giving this year.



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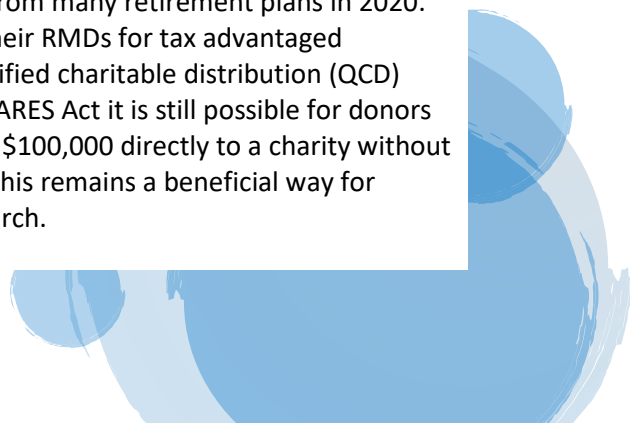


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New Charitable deduction for taxpayers who do not itemize. Beginning in 2020, individuals can deduct \$300 in charitable contributions from their gross income even if they do not itemize their deductions. Donations must be made in cash to a charity. Gifts of appreciated securities, and gifts to a donor advised fund or supporting organization, do not qualify. Although the permissible amount is modest, it is a new benefit available to donors.

No Cap on charitable deductions for taxpayers who do itemize. Donors who itemize their deductions can usually deduct cash contributions up to 60% of their adjusted gross income. For 2020, that cap is lifted, and donors contributing cash to charity may deduct up to 100% of their income, a significant tax savings for anyone able to contribute larger amounts. Again, this is only for gifts of cash, and only for gifts made directly to charity (not to donor-advised funds or supporting organizations).

No required minimum distributions, but qualified charitable distributions still possible. The CARES Act eliminates required minimum distributions (RMDs) from many retirement plans in 2020. Some donors have been using their RMDs for tax advantaged charitable gifts by making a qualified charitable distribution (QCD) directly to charity. Under the CARES Act it is still possible for donors 70 ½ or over to contribute up to \$100,000 directly to a charity without paying tax on the distribution. This remains a beneficial way for donors to make gifts to your church.





The CARES Act is a complex new law. This letter is intended only as a summary of provisions that may be important for our church stewardship. Donors should always consult with their own professional advisors before making a gift. The information contained in this letter was garnered from the Episcopal Church Foundation, New York, New York.

