

Gifts from your long-range plans

After first providing for family and friends, many people also choose to arrange for charitable gifts as part of their future financial and estate plans. We would be honored to discuss ways you can make a meaningful gift in your plans. A charitable gift through your will or a trust is a popular option. Here are some other ideas:

Retirement Accounts: You can give in the future by naming a charitable recipient as beneficiary of a retirement plan. It can be wise from a tax planning perspective to make charitable gifts from these assets while leaving other assets to loved ones that can be received free of tax.

Insurance Policies: Some have life insurance policies purchased years ago for specific purposes that are no longer needed today. If you have one or more such policies, you may assign all rights and benefits or name a nonprofit as beneficiary. This can be a simple way to make a larger gift in the future while in many cases enjoying immediate income tax savings.

Special Giving Options: Some plans help you make gifts that feature special benefits for you or others before providing for a gift to a charitable recipient. You can arrange a fixed or variable income for yourself or your loved ones while also benefiting a charity. Giving in this way can also serve to create a large charitable deduction that can

provide current and future tax savings. For more detailed information on these and other giving options, contact us.

Act now for greatest benefit

Remember, if you would like to enjoy the full tax benefits of your gifts when you file your 2019 income tax return, they must be completed on or before December 31. Given changes in federal tax laws in recent years, you may want to pay special attention this year and in the future to the amount, timing and source of your gifts. As always, we are available to assist you as you consider the philanthropic aspects of your current and future plans.

Giving

at Year-End 2019



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As the end of the year approaches, now may be the ideal time to review your gift, estate and financial plans. Thoughtful planning today can help balance your personal and philanthropic goals now and in the future.

Whether you already have plans in place, or you are just beginning the process, it's important to think through what you want to accomplish and how to reach your goals. There are many ways to care for your loved ones while also providing financial support for your charitable interests.

Read on to discover how you can make your gifts wisely while also addressing your personal planning needs.

Cash gifts are easy

Gifts of cash are popular and convenient to make because you can give these in person, online or by mail. These gifts are typically made via cash, check, credit card and sometimes by electronic funds transfer (EFT). Cash gifts must be completed before December 31 to be tax deductible for this year.

When finalizing your gifts, remember to save all your receipts and acknowledgments for tax purposes. Those who itemize can eliminate income tax on up to 60% of their Adjusted Gross Income (AGI). Any unused deductions can be “carried forward” and yield tax savings for up to five additional years. Your charitable gifts may even help you itemize more of your other deductions, such as mortgage interest and state and local taxes.

The careful timing of your gifts and other deductions may make the difference between your ability to itemize or not from year to year.

Noncash gifts offer advantages

Gifts of property other than cash make up a large portion of charitable donations each year. Publicly traded stocks, mutual funds and other securities comprise the majority of noncash gifts.

Other assets may also make suitable gifts. Works of art, collectibles and other property can provide great value for charitable use. Special IRS rules apply to these types of gifts. Check with your advisors for more information on arranging charitable gifts with noncash assets.

Tax deductions for noncash assets can be based on their current value, not just the amount paid for them. You may also avoid capital gains tax that would be owed on the sale of the property even if you don't itemize your charitable gifts for tax purposes.

If you've owned the securities for more than one year, your gift may be deductible at

full value and can be used to eliminate tax on up to 30% of your AGI in the year of the gift. Any unused deduction amount may help to reduce taxes in as many as five future tax years. If you are considering a gift of securities, allow enough time for your gift to be completed by December 31. Please check with us or your financial advisor for more information.

Giving through retirement plans

You may not realize there are other assets that can also be used to help you meet your philanthropic goals. Many individuals have funds in a qualified retirement plan such as an Individual Retirement Account (IRA), a 401(k) or a 403(b) plan. These assets may be a good choice for making current or future gifts, depending on your age and future needs.

For Those Age 70½ and Older: If you have an IRA, you can transfer up to \$100,000 per year to qualified charitable interests; \$200,000 per year for a couple who each has an IRA. Charitable IRA transfers are not taxed and count towards the annual Required Minimum Distribution. Those who qualify should carefully consider the additional benefits of making all or a portion of their charitable gifts directly from an IRA. These gifts are particularly wise for those who may no longer itemize deductions for income tax purposes.