

YOUR CHARITABLE GIVING

THE CARES ACT and IRA Distributions

As we come to the end of 2020, we wanted to pass along a few things to that you may be able to take advantage of as you make financial contributions to Eastpoint.

The CARES Act

The CARES Act was passed by Congress in March of 2020 in response to the Coronavirus pandemic. While this piece of legislation is best known for provisions such as direct payments to Americans, the Payroll Protection Plan, and extended unemployment benefits, it also includes a lifting of the cap on charitable deductions. Here are a couple of things you may want to consider as you think about your 2020 giving.

For those who don't itemize their deductions:

With the Standard Deduction this year being set at \$12,400 for an individual and \$24,800 for a married couple, it may not make sense for you to itemize your deductions. The CARES Act gives you an additional deduction you can take advantage of.

For 2020 only, the CARES Act allows for up to \$300 in charitable contributions to qualify as an above-the-line deduction, meaning you don't have to itemize deductions to claim the \$300 as a deduction. Qualifying donations must be made in cash, check, or through an on-line giving platform. Stock donations do not qualify for this deduction. This deduction is limited to \$300 regardless of whether you file as an individual or as a Married couple.

Change to the percentage of your Adjusted Gross Income that you can deduct

In a normal year, taxpayers must limit their charitable deductions for cash gifts to 60% of their adjusted gross income. For 2020 only, individuals making cash gifts can elect to increase this limit to 100% of their adjusted gross income (AGI).

For those planning major gifts, this is an opportunity to eliminate or greatly reduce federal income taxes for 2020 (Note: When gifting marketable securities or other types of stock, donors are still limited to deducting 30% of their adjusted gross income. However, the same donor could also deduct cash gifts up to 70% of his/her adjusted gross income to take advantage of the full 100% deduction, if desired).

We realize that this category of giving is not applicable to every person who supports Eastpoint financially. However, those who are able and willing to give at such a level can benefit significantly from this provision.

IRA Distributions

If you are receiving distributions from your IRA and are at least 70 ½ years old, you can donate to Eastpoint directly from your IRA and not have to pay income tax on the donation. If a donation is made to a church or other qualified charity directly from your IRA it is considered a Qualified Charitable Distribution (QCD). QCD's are not subject to Federal Income Taxes. There are 3 links shown below that will take you to various web sites for additional information on this opportunity.

If you have any questions on this information, please reach out to either Jeff Bland, Executive Pastor or Beth Flathers, Bookkeeper. Their contact information is listed below. Thank you for trusting Eastpoint with the financial gifts you are giving to God.

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CARES Act articles

<https://www.fidelitycharitable.org/articles/what-the-cares-act-means-for-charitable-giving.html>

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

IRA Retirement Accounts Articles

<https://www.fidelity.com/building-savings/learn-about-iras/required-minimum-distributions/qcds>

<https://www.fidelitycharitable.org/philanthropy/qualified-charitable-distribution.shtml>

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