



# The “J”eneration Society לדור ודור

KAPLEN JCC on the Palisades

## Tax Smart Ways to Give - Gifts of Stock

When you donate long-term appreciated securities, you can claim a charitable income tax deduction for the fair market value of the securities on the date of transfer, no matter what you originally paid for them. You pay no capital gains tax on the transfer.

Donating the stock results in no capitals gains tax being paid, a larger itemized deduction, and more money for the charity of your choice. That’s a win-win!

### IF THE SECURITIES HAVE APPRECIATED

If the securities originally cost \$2,000 and now have a fair market value of \$10,000, you do not pay tax on the \$8,000 gain. You may, however, claim a charitable income tax deduction for the full \$10,000.

### IF THE SECURITIES HAVE DEPRECIATED

In this case, it is usually better to sell first. By doing so, you can take the capital loss for tax purposes and then donate the cash.

This example assumes 35% tax bracket, a cost basis of \$2,000, that the investment has been held for more than a year, and that all realized gains are subject to a 20% long-term capital gains tax rate. This does not take into account any state or local taxes.

*The content here is general in nature and intended to be used for informational purposes only. It should not be relied upon as legal, tax, accounting or other professional advice. To determine how a estate planning decision might affect your particular circumstances, it is expressly recommended that you consult an attorney, financial advisor or other qualified professional.*





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## IRA and Retirement Plan Giving

### CHARITABLE GIVING OPPORTUNITY WITH AN IRA DURING A DONOR'S LIFETIME

The Charitable IRA Rollover is a way for you to pay less tax while supporting your favorite charities. You can donate up to \$104,000 from your traditional IRA-tax-free.

### THIS STRATEGY MAY BE RIGHT FOR YOU IF YOU:

- are age 70 ½ and older;
- want to reduce the value of future distributions you will be required to take;
  - do not itemize your deductions and would like to realize an increased tax benefit for your giving;
  - already contribute to charity at your deduction limit, and you want to donate more;
- do not need your Required Minimum Distribution;
- have a secondary smaller IRA you do not need; and/or
  - wish to reduce your IRA and remove it from your taxable estate.

### RETIREMENT PLANS AS PART OF YOUR ESTATE PLAN

Retirement plans, such as IRAs/401(k)s/403(b)s, are tax-plagued assets when they are left to a non-spouse beneficiary. Under the Secure Act, a non-spouse beneficiary of an IRA/401(k)/403(b) must withdraw the entire amount of the inherited retirement within 10 years; non-spouse beneficiaries are no longer permitted to “stretch” the withdrawals over their lifetime.

	During Lifetime	In Estate Plan
Vehicle	IRA	IRA, 401(K), 403(B)
Maximum	\$105,000/yr	Unlimited
Beneficiary	Any US-based charity	Any US-based charity or donor-advised fund
Tax Exemptions	Income tax	income tax, estate tax
Process	Rollover directly from IRA	Name charity as designated beneficiary
Required Paperwork	IRA rollover form	Beneficiary designation form
Age Restrictions	Must be at least 70 1/2	None
Gift Timing	Immediately	At your passing

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