

Future Planning In times of uncertainty



Diocese of Davenport / 780 W. Central Park Ave. • Davenport, IA 52804-1901 / [The Catholic Foundation](#)

Ideas for year-end giving and moving forward in 2020

Catholic initiatives in the Diocese of Davenport (DD) continue to move forward with their important work. In the midst of all that is going on, many of our friends and supporters are looking forward to the future when they can enjoy a community with friends and engage in their activities.

In response to the current pandemic situation, Congress this year enacted several tax law changes. DD offers this and more resources to help you with your tax planning and to offer some ideas for you to consider if you are thinking about making a gift in support of the Annual Diocesan Appeal (ADA) or your Parish during this time.

2020 CARES Act

This law includes several charitable tax provisions to encourage giving.

These include:

- A new direction for charitable donors who do not itemize when filing their tax returns. If you do not itemize, but make a gift to charity, you will be allowed to take a special tax deduction, up to \$300, to reduce your tax liability.

- An increase in the deduction limit up to 100% of donor's annual income for cash gifts (previously the deduction was capped at 60% of annual income). If you make a gift you will be able to deduct more this year.

- Similarly, an increase in the deduction limit of up to 25% of a corporate donor's taxable income for cash gifts (previously the deduction was capped at 10% of taxable income).

Charitable Gift Annuity

If you are concerned about your financial security given the ups and downs of the stock market, you may want to consider making a gift to fund a charitable gift annuity. You may be surprised by the benefits. You can exchange your low-performing stock, CDs or cash for guaranteed, lifetime fixed payments. If you make a gift of an appreciated asset, you will not have to pay Capital Gains when you fund the annuity. You may also benefit from a tax deduction this year and a portion of your payments could be tax-free.

Planned Gifts

You're Christ to others, passing on the faith to family members and administering works of mercy. The mark you make shows the legacy you continue to create. Make sure your will or estate plan reflects you. No matter your income, financial status or age, a will is essential to avoid delays and confusion among the future

survivors and to be sure your assets go where you intend. Planned giving helps with financial and estate planning to decide where your assets go at a later time. It is for everyone.

Secure Act

In January, Congress passed the SECURE Act, limiting stretch payments to the IRA beneficiaries to 10 years. If you planned to benefit your children with your IRA, your heirs will now pay higher taxes on the Inheritance they receive from you. When you revisit your estate plan, consider funding a testamentary charitable remainder unitrust with your IRA balance. This plan can provide lifetime payments to your heirs and spread out the taxes on their inheritance to go where you intended. Planned giving helps with financial and estate planning to decide where your assets go at a later time. It is for everyone.

Please consult with your legal advisor, tax planner on these matters and then contact Michael Hoffman to let him know you have remembered the Parish or Diocese in your Estate Planning.

He can be reached at Hoffman@davenportdiocese.org