christ church
frederica

Revised November, 2025

Two tax advantaged ways to give

Gifting appreciated stock/marketable securities

- The gifted securities must have been held by the donor for at least one year prior to transfer
- Donor avoids reportable capital gains income and associated capital gains taxes on the appreciated value of gifted stock/securities
- Donor retains the option of itemizing deductions OR claiming the standard deduction on federal taxes
- If itemizing deductions, donor may claim the full fair market value (FMV) of the security as of the transfer date, subject to AGI (adjusted gross income) limitations
- In short, the financial benefit to the donor is straightforward: The donor avoids capital gains taxes on the appreciated value of the gifted stock and, thus, makes a larger impact through the gift
- If you decide to gift stock/marketable securities, please contact the church's Finance Office by phone (912-638-8683) or in person to obtain the Stock Donation Procedures form*, alert church personnel of the incoming transfer, and designate the use of the funds, if applicable (e.g. Annual Fund Pledge). *form is also available on Christ Church website at https://www.ccfssi.org/give .
- See IRS Publication 526, Charitable Contributions: "Capital Gain Property" section for more detail/ updates at www.IRS.gov/Pub526.

Tax free IRA distribution directly to Christ Church Annual Fund

- **IRA owner must be age 70.5 or older at the date of distribution**
- The distribution must come from a traditional IRA and otherwise qualify as a QCD (Qualified Charitable Distribution) under Internal Revenue Service rules
- To further qualify as "tax free" to the IRA owner, **the distribution must be made directly from the IRA account Trustee to Christ Church Frederica**
  The QCD option is available to eligible IRA owners regardless of whether they use the Standard Deduction or itemize deductions on Schedule A of their personal tax returns (Because a QCD is not taxable income to the IRA owner, the owner may not claim a charitable deduction for the QCD transfer)
- If the IRA owner has reached the age of RMD (Required Minimum Distribution, currently age 73), a QCD to the Annual Fund can help satisfy the required minimum distribution for the tax year in which it is made
- For qualifying IRA owners, the QCD can provide multiple benefits – all combined in one transaction: fulfilling an Annual Fund pledge more generously than otherwise feasible; helping to manage taxable income and personal tax liability; lowering Adjusted Gross Income to possibly reduce or avoid Medicare Part B/Part D income related (IRMMA) premium increases; and - for those of RMD age - satisfying the Required Minimum Distribution in a tax efficient manner
- If you decide to make a QCD to Christ Church, please advise the church's Financial Office by phone, in person or via your Annual Pledge card to alert personnel to expect a transfer from your IRA Trustee and to designate intended use of funds
- **Donor must get a written acknowledgement of QCD from church before filing tax return!** Acknowledgement must show date and amount of contribution and confirm donor received nothing of tangible value in return for contribution
- See IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), for more detail/updates at www.IRS.gov/Pub590B. Qualified charitable distributions currently allow each eligible IRA owner up to $108,000 in tax free gifts to charity in 2025.

Tax rules effective in 2026 may have strategic timing implications for giving

- Among upcoming changes in 2026, tax law will 1) limit the deductibility of charitable gifts by imposing a one-half percent floor (as a percentage of taxpayer's AGI), 2) limit the benefit of all itemized deductions, including charitable contributions, to the 35% tax rate for high income taxpayers in the 37% bracket and 3) allow a universal charitable gift deduction (up to $1,000/$2,000 for single/married filers) to taxpayers who do not itemize and use the Standard Deduction. Consequently, it may be advantageous in some cases to accelerate and prepay a 2026 pledge in 2025 or "bunch" multiple years' planned giving into a single tax year.

Disclaimer: This general information is intended to be useful to you in considering future charitable donations. IT IS NOT INTENDED TO BE TAX ADVICE. PLEASE CONSULT WITH A QUALIFIED TAX ACCOUNTANT OR FINANCIAL ADVISOR WHO HAS BEEN PROVIDED THE RELEVANT FACTS ABOUT YOUR PARTICULAR SITUATION BEFORE TAKING ANY ACTION BASED ON THIS INFORMATION.