

Smart Gifts to Consider for the Rest of 2021

It is hard to believe that the end of calendar year 2021 is less than three months away!

Though we have not quite conquered the pandemic, we can at least help keep the tax man at bay with some smart charitable strategies. Here are some compelling opportunities that you may wish to explore with your professional advisors:

* **ABOVE THE LINE DEDUCTION**: If you currently use the standard deduction for taxes, you can claim an additional deduction up to $300 (couples can claim up to $600) for cash donations to public charities this year.
* **100% DEDUCTION LIMIT**: If you itemize your deductions, you can elect to use a CARES Act 100% of AGI deduction limit for cash donations to public charities like ORGANIZATION. This incentive ends on December 31, 2021 and the deduction limit for cash donations goes back to 60% in 2022.
* **BUNDLING DONATIONS**: If your total deductions in 2021 amount to slightly less than the standard deduction, you can consider accelerating or bundling charitable donations this year. This strategy will enable you to exceed the standard deduction, realize greater tax savings while also optimizing your charitable impact.

You can bundle donations with the use of both cash donations as well as gifts of appreciated non-cash assets like publicly traded stock held for more than a year. Aside from generating an income tax deduction, gifts of long-term appreciated assets also result in capital gains tax savings. The combination of income and capital gains tax savings significantly reduces the cost of making a charitable gift.

* **CHARITABLE IRA ROLLOVER**: If you are 70½ or older and have other sources of income to draw upon, you can direct your IRA custodian to transfer a portion of your retirement assets to a public charity as a qualified charitable distribution (QCD). The donation counts as part of your Required Minimum Distribution, but is not included in your taxable income.

*Always consult your professional tax and legal advisors about the suitability of any of these strategies on your personal situation and how to carry them out effectively.*

If you are interested in an illustration of the potential benefits of the aforementioned strategies, please call CONTACT at PHONE or EMAIL.

If you would like to understand these strategies in the context of your own financial and estate plan, you may wish to take advantage of a confidential and complimentary estate planning consultation. ORGANIZATION has partnered with Thompson & Associates to provide estate planning expertise at no cost to you. Thompson & Associates does not sell anything, manage money or draft documents, and all meetings are completely confidential. This is truly our gift to you, to provide you peace of mind during this time. If you wish to meet with ASSOCIATE, our Thompson associate, please contact CONTACT at PHONE or EMAIL.

By discussing these opportunities with us, our Thompson & Associates consultant and your advisors at this time, you will be able to deploy them more quickly before year-end, increase your charitable impact and also keep the tax man at bay.