

# Qualified Charitable Distributions (QCDs)

Per The Secure Act 2.0, individual who have achieved the appropriate age are subject to taking a Required Minimum Distributions from an IRA or individual retirement annuity, but not a simplified Employee pension, SIMPLE retirement account. Roth retirement accounts, or an Inherited IRA. Instead of taking an IRA distribution, which is taxable and increases one's adjusted gross income, and then making a charitable donation, one can make a distribution of cash and or securities with limitations directly to a charity (our Church). This distribution can still count towards one's Required Minimum Distribution. However, this method is more tax advantageous.

## Charitable Trusts

Usually involving larger sums, one can establish a trust via an attorney drawn trust document. Either, the donor can retain the right to receive a payment from the trust for their life or a specific number of years, and then the trust principal reverts to the Church, OR, the donor specifies that the Church is given payments for a specified period, after

which the trust principal reverts back to the donor, or their family members.

## Charitable Gift Annuity

In certain cases, one can make a gift of appreciated stock held outside any tax deferred accounts directly to a Charitable Gift Annuity sponsored through the United Methodist Homes Foundation (The Homes). One may receive a charitable deduction for the present value of the securities (the older an individual is, the higher the potential current deduction), and receive an income stream for life (the older the donor, the higher the payment). A portion of the income stream is a return of your donation and thus not taxable. The term can be defined as either for your life solely, or that of your life and then your spouse's. Upon the end of the term, whatever is left over from this mechanism is what our Church and The Homes Foundation receives upon the contributor's demise, 49% and 51% respectively.

## Through your Will / Estate

One can also name the Church as a beneficiary of their Estate by asking your attorney to include such a provision in your Will, either by specifying a specific amount or a percentage of the residual Estate. One can make an amendment (called a codicil) to their existing Will (we recommend it be drawn by an attorney). One should notify the Church in advance of your intent to name them as a beneficiary of a specific bequest or a residual bequest. This is extremely important if the item being left to the Church is real estate, and careful consideration should be given to the real property's location and potential for any possible (unknown) environmental contamination. It is a good idea in general to have ones Will and its provisions reviewed by an attorney every few years as named beneficiaries die, get divorced, reach adulthood, and tax laws change or expire.

## Planned Giving Info Proverbs 3:9-10

Honor the Lord with your wealth, with the first-fruits of all your crops; then your barns will be filled to overflowing, and your vats will brim over with new wine.



**ST. PAUL'S UNITED  
METHODIST  
CHURCH**

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**OUR PURPOSE**  
The purpose of St. Paul's United Methodist Church is to:  
*praise* God through worship,  
*grow* as disciples through study,  
*share* our faith through testimony,  
*serve* others through ministry.

Worship Services- Sundays 9 AM Traditional  
11.00 AM Contemporary  
Sunday School - Sundays 9 AM -For All Ages  
(September - June)  
Mid-Week Worship - 7PM Wednesdays,

## **Planned Giving (What it's all about)**

As Disciples and Stewards of what God has graced us with, we are called to

**Praise** God through worship, **Grow** as disciples through study, **Share** our faith through testimony, and **Serve** others through ministry. As Christians, we are taught to contribute part of our **time**, **talent**, and/or **treasures** in response to God's grace that God may have bestowed upon us or our family.

Have you ever considered devoting some extra time to volunteer for any outreach program or to the general operations of the Church?

Do you have a special talent that the Church might benefit from or that you could share?

If you wish to help support a specific outreach or the general purposes of the Church, you may wish to consider donating a **treasure**. In considering this, recall that some may be present gifts, some may be future gifts.

Realize also that this information is meant to offer ideas but is not intended to substitute as tax advice or legal advice.

We urge anyone who is interested in pursuing one or more of these strategies to consult with the Church's Finance Committee who can explain how these alternatives work and compare.

Rest assured that any inquiries will be treated with tact and confidentiality.

## **Planned Giving (Explained)**

What if we informed you that there was a way that might improve your household income, possibly affording you a charitable contribution or be tax advantageous, while also benefiting the Church?

It is our belief that our society today offers many temptations that may pull us or our families away from living the best life God may want for us. As such, we strive to offer our congregation ways to help combat these temptations and ways to aid in their struggles to live their best Godly life and to assist them in maintaining a Godly focus for their daily lives. We also believe that strong communities are built by strong families and Godly individuals.

To do what we can to aid people in our community, we have outreach programs our Church offers.

To be of assistance to our congregation, we also sponsor many programs, clubs, and chances to put our faith into practice.

Please ask about these programs as we feel there are some you may not be familiar with and believe there are others you may wish to contribute to.

## **Appreciated Stock**

In certain cases, one can make a gift of appreciated stock held outside any tax deferred accounts directly to the Church. You may be able to side step a capital gains tax issue, preserve your cash, possibly receive a tax deduction for the present value of the shares, and benefit the Church as well.

## **Pooled Income Fund**

In certain cases, one can make a gift of appreciated stock held outside any tax deferred accounts directly to a Pooled Income Fund. Usually for amounts of \$5,000 or securities or more, you transfer the shares into a Pooled Income Fund, side stepping a possible capital gains tax issue and possibly receiving a tax deduction for their present value. You receive a stream of income from the Fund for your life (sometimes a level of income higher than what the dividend paid), and you direct the ownership of the shares to be transferred to the Church on your demise. Often, the term can be defined as either your life solely, or that of your life and then your spouse's. Thus, one can diversify market risk, possibly improve your income, in addition to the benefits described for appreciated stock.

## **Donor Advised Fund**

In certain cases, one can make a gift of appreciated stock held outside any tax deferred accounts directly to a Donor Advised Fund. One can possibly receive an immediate charitable deduction and then direct the Fund Manager as to which (one or more) qualified tax-exempt organizations of your choice (one of which can be the Church) at any time in future years. The donor can then also make additional contributions to their donor advised fund in the future.

## **Life Insurance**

If you have life insurance that you feel you no longer need, consider continuing to make premium payments and name the Church as the beneficiary.