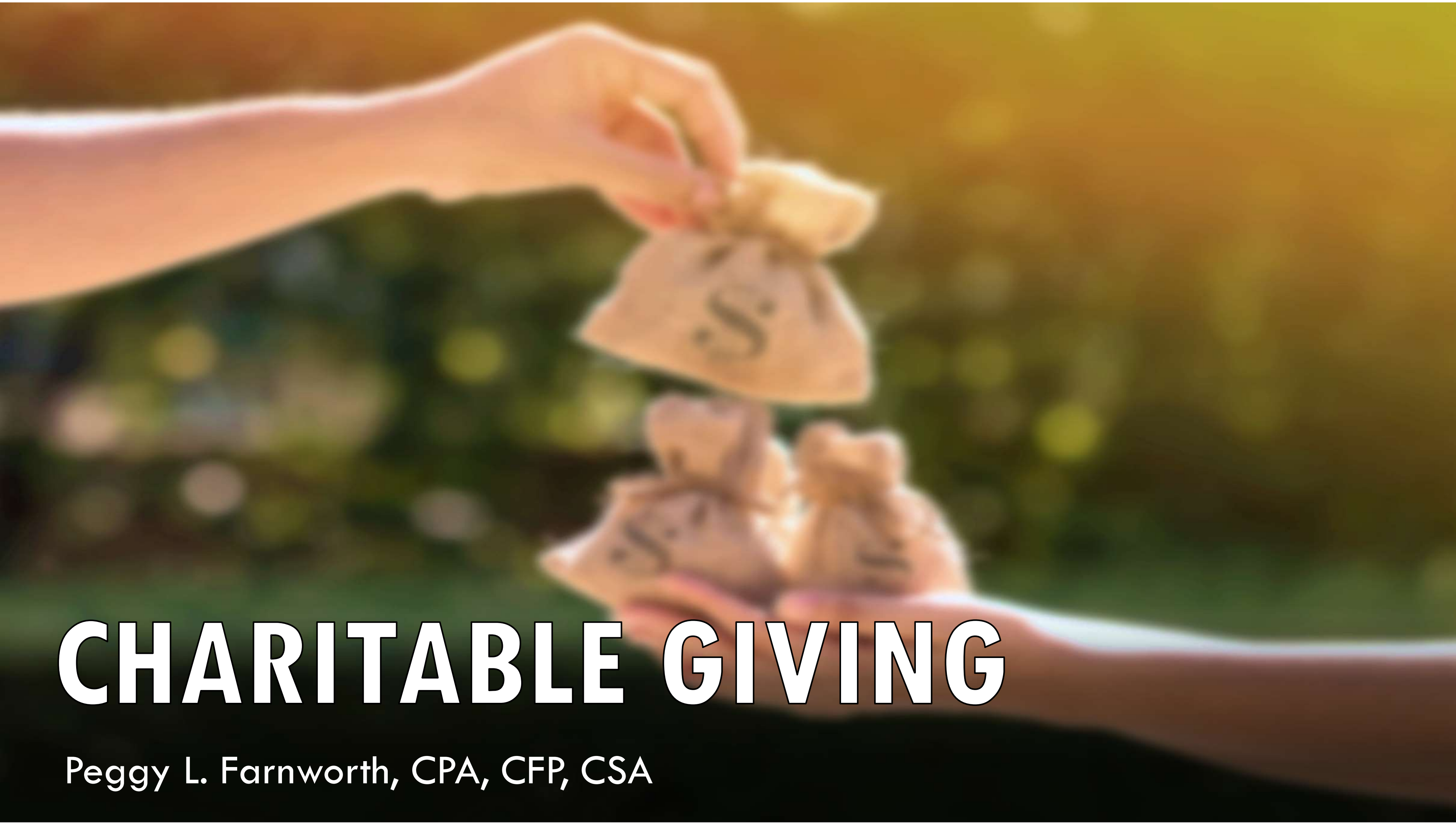


CHARITABLE GIVING

Peggy L. Farnworth, CPA, CFP, CSA

BENEFITS OF GENEROSITY

- Supports a cause you believe in!
- Builds connections & strengthens community!
- Improves your mental & physical health!
- Creates a lasting legacy!
- Reduces your taxable income!

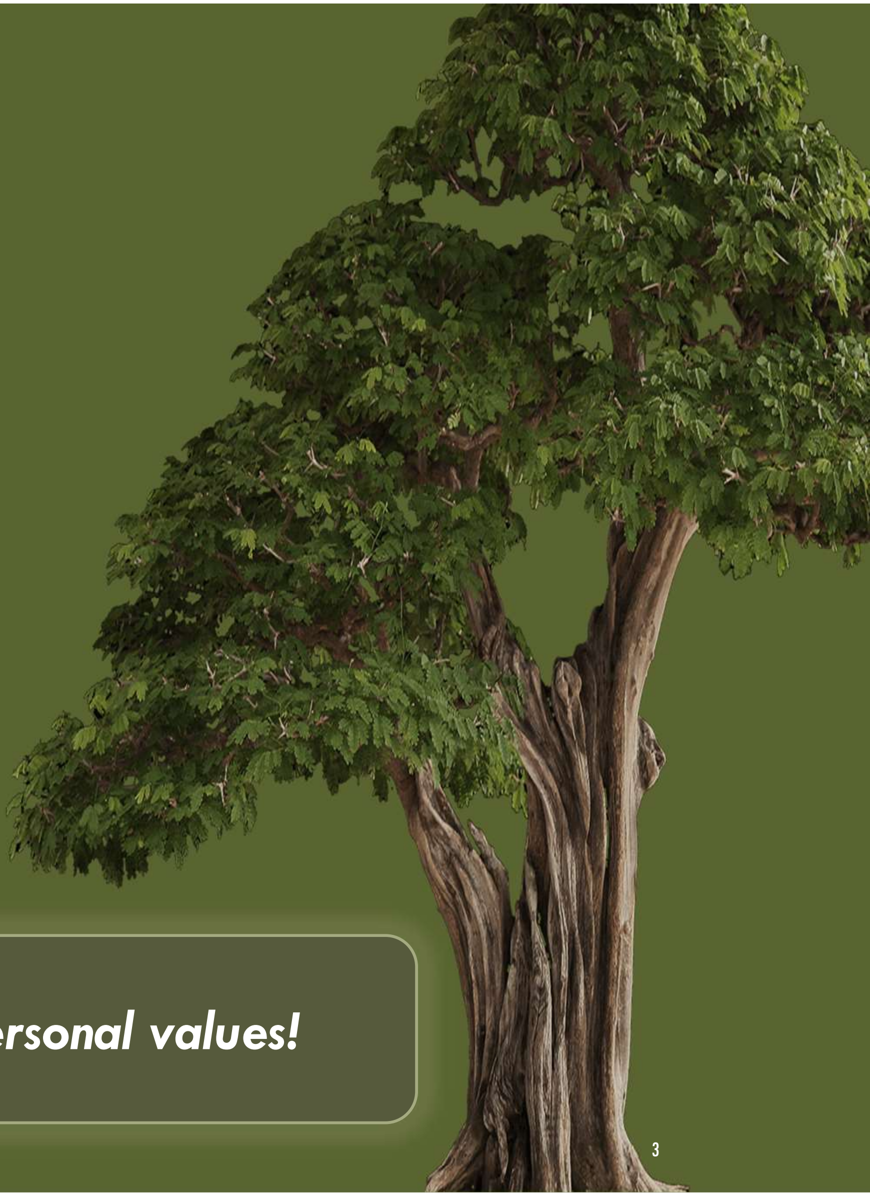
WHAT NURTURES YOUR SENSE OF FULFILLMENT?

Think of a tree…

Growth & Vitality

Support & Purpose

Core Values & Beliefs



Supporting a cause you believe in strengthens personal values!

FOSTERING COMMUNITY BY MEETING A NEED

Charitable engagement fosters community-focused collaboration!

Contributions connect you with like-minded people, growing your network!

Participation builds partnerships & strengthens support systems!

You can make a significant impact on bettering the lives of those in need!

Habitat for Humanity

MEALS on WHEELS METRO BOISE

IDAHO HUMANE SOCIETY

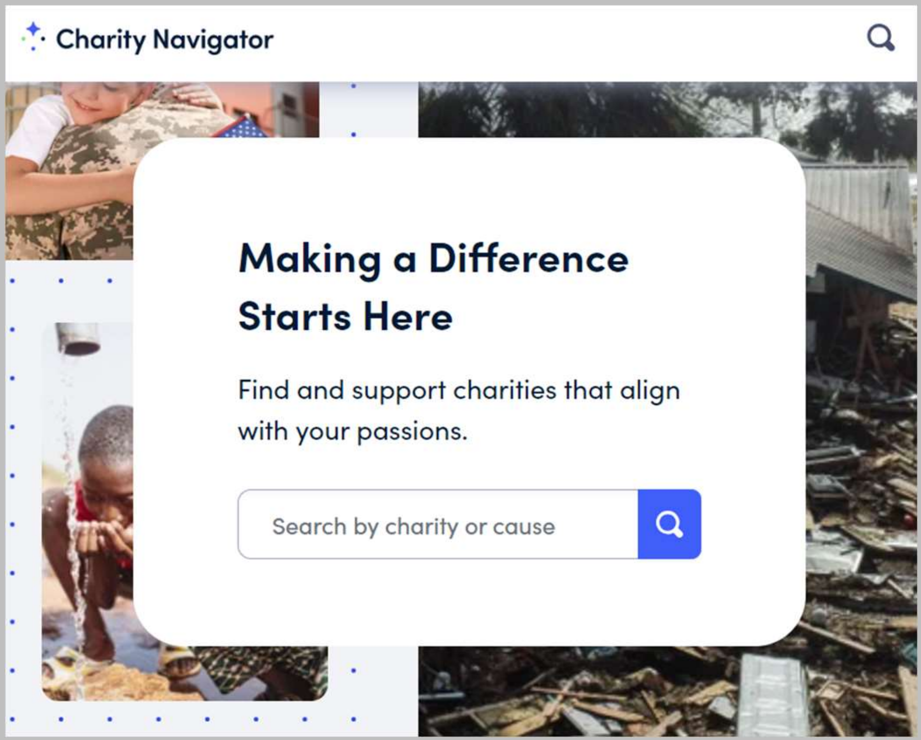
JEM FRIENDS
STEPPING STONES TO INDEPENDENCE

IDAHO YOUTH RANCH

CATCH

LOCAL CHARITABLE ORGANIZATIONS

FIND AND EVALUATE A CHARITY



GIVING CHARITABLY IMPROVES PHYSICAL HEALTH & MENTAL WELLBEING

HAPPY = HEALTHY

Prosocial spending increases the production of happy chemicals!

Endorphins

Dopamine

Oxytocin

Feeling good is a product of doing good!

YOUR LASTING LEGACY

What kind of impact do you want to have on your community?

How do you want to be remembered by friends & family members?

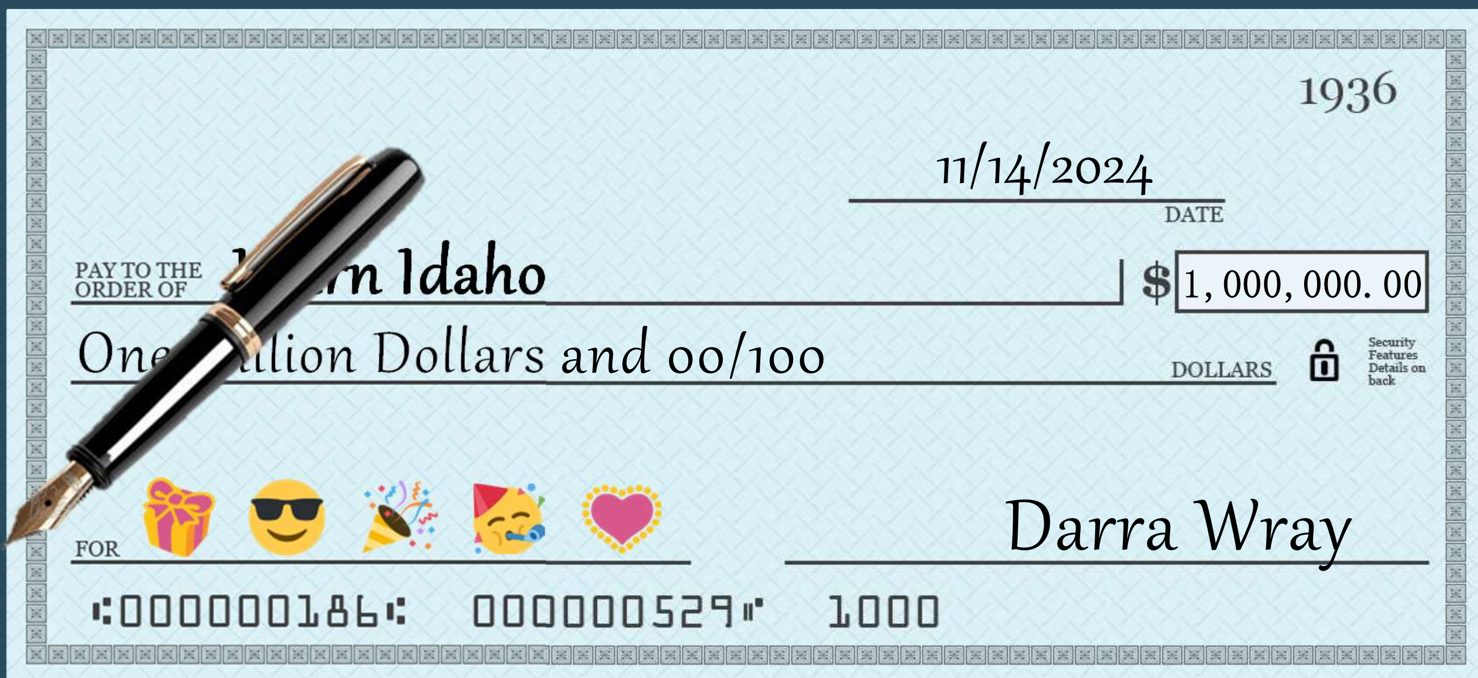
Which values do you want to pass on to future generations?

STRATEGIC FINANCIAL BENEFITS

LET'S THINK ABOUT THE LOGISTICS…

Checks are an easy option!

LET'S THINK ABOUT THE LOGISTICS…



APPRECIATED ASSETS

Purchase of Investment
(e.g. stocks, mutual funds, etc.)

+

Capital Gains
(Taxable)

=

Fair Market Value

Turning an ***Investment*** into a ***Donation***

Fair Market Value of a **Donation**

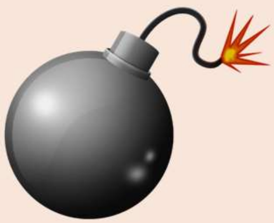
Charity pays **ZERO** taxes!

ESTATE PLANNING & IRA BENEFICIARIES

What are you ***really*** giving?

Listing a child as a beneficiary on an IRA account is very common…

However, this could result in a ticking **tax** bomb for them!



Inherited IRAs and the 10-Year Rule

Changes in recent years have impacted distributions of IRAs and their beneficiaries

<u>SECURE Act 1.0 of 2019</u>

Inherited IRA account must be fully distributed by the end of the 10th year following the IRA owner's passing

Instead of giving away an IRA tax bomb, consider leaving your children with life insurance

Beneficiaries of life insurance plans receive proceeds tax-free!


QCDs are a Win-Win!

What are QCDs?	**Who is Eligible?**
How do they work?	**What are the benefits?**

Why is reducing your AGI important?

AGI is an accumulation of income such as capital gains & retirement income, and it determines your **Medicare Premium and IRMAA**

IRMAA stands for **Income-Related Monthly Adjustment Amount** and it is calculated using your **Modified AGI** (AGI + tax-exempt interest)

You're **more likely to be impacted by IRMAA** as an **additional cost** to monthly Medicare Premiums if you are in a **higher income bracket**

SHARING IS CARING

A **Charitable Gift Annuity** (**CGA**) is another way that **YOU** as a donor can make a charitable contribution in a **tax-efficient** way!

CGAs are an **agreement** between a **donor** and a **qualifying charity** using an **annuity** contract…

SHARING IS CARING

SECURE Act 2.0 of 2022

- Donors are allowed a **one-time QCD** of up to **$50K** from their **IRA to a CGA**
- In return, annuity pays donor a **taxable monthly stream of income for life**
- Donor begins receiving **payments within one year** from donation date
- The **charity receives the remainder** of the annuity at the time of donor's death

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Questions?

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