



A Tax-Wise Giving Option For Donors Over Age 70½

When considering your resources to make a generous pledge to the AdventHealth Lake Placid Foundation, you may want to consider a Qualified Charitable Distribution (QCD) from your IRA. The AdventHealth Lake Placid Foundation is a 501(c)(3) organization, eligible to receive tax-deductible contributions from your IRA.

A QCD is a direct transfer of funds from your IRA custodian, payable to AdventHealth Lake Placid Foundation. QCDs count toward satisfying your Required Minimum Distributions (RMDs) for the year and, in addition to the benefits of giving to charity, a QCD excludes the amount donated from your taxable income. You can give up to \$100,000 per year, not to exceed the amount of your required minimum distribution.

Also, QCDs don't require that you itemize, which due to the recent tax law changes, means you may decide to take advantage of the higher standard deduction, but still use a QCD to achieve your charitable giving goals.

While most IRAs are eligible for QCDs, there are requirements:

- You must be 70½ or older to be eligible to make a QCD.
- QCDs are limited to the amount that would otherwise be taxed as ordinary income.
- The maximum annual amount that can qualify for a QCD is \$100,000. If you file taxes jointly, your spouse can also make a QCD from his or her own IRA in the same tax year for up to \$100,000.
- For a QCD to count toward your current year's Required Minimum Distribution, the funds must come out of your IRA by your RMD deadline, generally December 31.

If you would like to learn more about the tax-wise benefits of making a charitable gift from your IRA to AdventHealth Lake Placid Foundation, we encourage you to talk with your financial and/or tax advisor or contact Christen Johnson.

Christen Johnson | Director

AdventHealth Lake Placid Foundation + Volunteer Services

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Campaign Giving Opportunities

There are various ways donors can plan significant pledges to the AdventHealth Lake Placid Foundation while taking full advantage of the income and estate tax benefits allowed under the law. Most donors will fulfill their campaign commitments with pledges payable over three to five years.

- **CASH:** Cash contributions qualify for a charitable tax deduction of up to 50% of the donor's annual adjusted gross income in the year paid. Any unused portion of the charitable deduction may be carried over for tax purposes for up to five years.
- **SECURITIES:** If considering a donation of appreciated securities such as stocks, bonds, and mutual funds, donors can avoid capital gains tax by transferring long-term appreciated securities to the AdventHealth Lake Placid Foundation and get a charitable income tax deduction of up to 30% of adjusted gross income (with a five-year carry over). The valuation of marketable securities donated for charitable purposes is the mean value between the highest and lowest selling process on the date of the gift.
- **IRA ROLLOVER:** Donors age 70 1/2 and older can make a direct transfer of up to \$100,000 per spouse per year from an individual IRA to AdventHealth Lake Placid Foundation. While the distribution is not deductible as a charitable gift, it does count toward the donor's required minimum distribution (RMD) and reduces the donor's taxable income for that year.
- **DONOR ADVISED FUND:** Personal pledges cannot be made from donor advised funds (held by a community foundation or Fidelity or other charitable gift fund), however, campaign donors can make an annual request for a distribution from a donor advised fund to fulfill their commitment to the campaign.
- **REAL ESTATE:** A gift of real estate (or an undivided partial interest in real estate) that is appreciated in value is a tax-wise option for making a campaign contribution. The charitable deduction for a gift of real estate is based on the current fair market value of the property and the donor incurs no capital gains tax liability. A qualified real estate appraisal is required to determine the current fair market value of the donated property.
- **MATCHING GIFTS:** Numerous companies have matching gift programs where an employer will match a donor's charitable gift in varying amounts. AdventHealth Lake Placid Foundation will give recognition credit to donors whose campaign gifts are matched by their employer.
- **LIFE INSURANCE:** A paid-up life insurance policy yields a charitable income tax deduction approximately equal to the policy's replacement value. If premiums remain to be paid, the value of the gift is slightly in excess of the policy's cash surrender value. If a donor continues to pay the policy premiums, the annual premium payments are deductible. The donor must relinquish all incidents of ownership in the policy and irrevocably assign AdventHealth Lake Placid Foundation as the owner of the policy.

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