

If you have already considered a provision for ASHRAE in your will, please note that a life income gift can often be preferable. Such a gift allows you to accomplish your goals during your lifetime — in a tax-advantaged way.

IRA CHARITABLE ROLLOVER

This provision allows those 70 1/2 and older to donate as much as \$100,000 of IRA account assets each year directly to one or more public charities. The donations will count as part of the IRA owner's required annual payout.

Remember that there is no income tax charitable deduction for the donated assets, but they don't count as income, either.

To qualify, the donation of the IRA assets must be made directly to a charity, not a donor-advised fund or grant-making foundation. The assets must be transferred directly to the charity from the IRA custodian, such as a bank or mutual fund.

FOR FURTHER INFORMATION

No one publication can tell you everything you need to know about 2021 year-end gift opportunities and which method would be the most advantageous for your particular situation. Be sure to check with your accountant or other tax advisor for additional information on how these general rules apply to your situation.

We would be pleased to provide you with additional information. Thank you for your support at year-end — and throughout the year!

For more information please contact Margaret Smith, Foundation Manager msmith@ashrae.org or call 678-539-1201.

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2021 YEAR-END GIFT IDEAS

Year-end giving is as easy as (1) making a charitable gift, and (2) saving taxes. We'd like to make it even easier with this primer on some of the best ways to save — and give.

The tax laws intentionally encourage charitable giving. Because of the income tax charitable deduction, individuals who make their gifts by December 31 and itemize can significantly reduce their income taxes for 2021.

Example: If you make a charitable gift of \$10,000 in 2021, and you itemize, you can save \$3,200 in taxes if you are in the 32% tax bracket. And the higher your tax bracket, the more money you save with a charitable gift.

Giving is, of course, much more than tax brackets and charitable deductions. Philanthropy provides the meaningful difference in what we can do.

This brochure is only a brief introduction to some of the best tax-advantaged methods of giving. We would be pleased to provide you with further information. Also, we urge you to discuss your 2021 year-end tax planning with your accountant or other professional advisor.



GIFTS OF CASH

There is no easier way to garner a charitable deduction for 2021, and support us at the same time, than by simply writing a check.

Make sure your envelope is postmarked by December 31; if it is, your gift will qualify as a 2021 gift even if it is not received by us until the first week of 2022.

If you itemize, your outright gifts of cash for 2021 are fully deductible for federal income tax purposes up to 100% of your adjusted gross income. If your total gifts should

exceed this limitation, the excess may be carried forward for tax purposes for up to five additional years.

If you decide not to itemize for 2021, you may still deduct up to \$300 (\$600 for a married couple) of charitable cash gifts which you make to ASHRAE.

GIFTS OF STOCK

Year-end 2021 may be an excellent time to consider a gift of stock.

Giving long-term appreciated stock offers you a two-fold tax saving. First, you avoid paying any capital gains tax on the increase in value of your stock. In addition, you receive a tax deduction for the full fair market value of the stock. For income tax purposes the value of such gifts may be deducted up to 30% of adjusted gross income, with an additional five-year carry forward.

Example: If you purchased stock many years ago for \$1,000, and it is now worth \$10,000, an outright gift of that stock to ASHRAE would result in a charitable deduction of \$10,000. In addition, you permanently avoid paying capital gains tax on the \$9,000 of appreciation.

GIFTS OF REAL ESTATE

If you have owned your home, a vacation home, acreage, or a farm for many years, a charitable gift of that real estate can be especially tax-advantageous. The property may have so appreciated in value over the years that its sale would result in a sizeable capital gains tax. If given to ASHRAE instead, you avoid the tax and, at the same time, realize a charitable deduction for the full fair market value of the real estate. For income tax purposes the value of such gifts may be deducted up to 30% of adjusted gross income, with an additional five-year carry forward.

You may also wish to consider a gift of your personal residence or farm, reserving the right to continue to live in the house or farm the property for life (and, if applicable, the lifetime of your surviving spouse).

Through such an arrangement, you will be entitled to a current income tax deduction for a portion of the fair market value.

GIFTS OF LIFE INSURANCE

If you own a life insurance policy that is no longer needed, consider it as the perfect vehicle for a 2021 year-end charitable gift.

To receive a charitable deduction, name us ASHRAE both the owner and beneficiary of the policy. If the policy has a cash value, you can take a charitable deduction approximately equal to the cash value or the adjusted basis.

In addition, if annual premiums are still to be made and you continue to pay them, those premiums will become tax deductible each year. (It's easy to contribute a life insurance policy to ASHRAE. Just check with your life insurance agent for details on which forms to complete.)



LIFE INCOME GIFTS

If you are considering a major gift, your gift of cash or stock in the form of a "life income gift" can significantly increase your income.

A life income gift allows you to transfer assets now, and yet continue to receive income from the cash, stock, or other property contributed. A life income gift can allow you to: (1) increase your income for life; (2) receive a generous charitable contribution deduction in 2021; and (3) if you contribute stock, avoid any capital gains tax on the appreciation.

A life income gift is often made through a trust arrangement called a "unitrust" or an "annuity trust." With a unitrust, you and/or your spouse (or another beneficiary) receive annually a fixed percentage of the fair market value of the assets in the trust. The income received will vary from year to year, based upon how the trust's investments perform. With an annuity trust, you and/or your spouse (or another beneficiary) receive a fixed amount from the trust each year.

This amount is agreed upon when you create the trust; it stays constant, no matter what happens with the stock market or interest rates.