

Help the JCC-Federation and Save on Taxes

People often ask “how can I help the JCC and save money on my taxes?” Here’s a simple way adapted from the websites of Fidelity and Vanguard Investments.

Retirees who are 70½ or older can donate up to \$100,000 a year from their IRAs to charity via a Qualified Charitable Distribution (QCD). A QCD is a transfer of assets from your IRA payable directly to a qualified charity or 501c(3) organization, such as the JCC-Federation of SLO.

Amounts distributed as a QCD are NOT included in your taxable income. Normally, funds from an IRA withdrawal are counted at your top marginal tax rate. After you reach age 72, the QCD counts toward your required minimum distribution. While it isn’t deductible, it will reduce your adjusted gross income.

TIP: When significant tax law changes were enacted in 2020, the standard deduction increased to \$12,400 for single filers and \$24,800 if married filing jointly. As a result, itemizing deductions, such as a charitable donation, is more unlikely. However, the QCD can remain an option for your charitable giving even if you claim the standard deduction because it lowers your taxable income.

This process is simple. Go to the website of your investment firm(s) and complete a form. You can also talk to your financial advisor or contact customer service of your firm. Since a check will be sent to a charity from a tax-deferred account, you either need to have a cash balance or to sell part or all of a particular investment to create the cash.

The JCC-Federation greatly appreciates your support!