



The CARES Act

The YMCA of Greater Boston is grateful for your generous support now and over the years. As we adapt to our new reality, we would like to bring to your attention new tax rules for charitable giving included in the recently enacted Coronavirus Aid, Relief, and Economic Security Act, or CARES Act.

You may deduct gifts of cash to most public charities to offset as much as 100% of your income!

For the 2020 tax year only, you may deduct cash contributions to The YMCA of Greater Boston and most other public charities to offset up to 100% of your income. Ordinarily, the income tax charitable deduction for cash gifts is limited to 60% of your income. This 100% limit allows especially generous donors to reduce their 2020 federal income tax to zero. If you are even more generous, you can carry forward unused cash contribution deductions for up to five years. Contributions to donor advised funds or supporting organizations are not eligible for this deduction. Your ability to deduct up to 100% of your income with cash gifts is reduced by your gifts of appreciated assets such as publicly traded securities and real estate for example. That means your charitable deductions in 2020 cannot exceed 100% of your income, but you may be able to carry unused charitable deductions forward to future years.

It may not be the tax-wise choice to deduct up to 100% of your income.

Because federal income tax rates are progressive, it is not a given that it will be to your advantage to deduct 100% of your cash contributions in 2020. Check with your financial or other advisors to determine whether the 100% deduction makes sense for your specific circumstances.

If you don't itemize you may reduce your taxable income by \$300 for your charitable contributions in 2020.

If you do not itemize your deductions in 2020, you can still reduce your taxable income by up to \$300 for contributions of cash to public charities using an "above the line" adjustment to reduce your taxable income.

Required minimum distributions from retirement plans are waived for 2020.

Most required minimum distributions from retirement plans have been eliminated for 2020. Check with your financial advisor to see how this temporary rule will apply to you. Minimum distributions that have already started are still required from some defined benefit pension plans, but some required minimum distributions that would have started in 2020 may not have to start until 2021.

Qualified charitable distributions are still a great way if you are 70½ or older to make contributions.

If you are 70½ or older, a qualified charitable distribution ("QCD" or "IRA charitable rollover") allows you to make a tax-free gift of up to \$100,000 to the YMCA of Greater Boston from your IRA. While the benefit of using a QCD to satisfy your required minimum distribution has been waived for 2020, a qualified charitable distribution remains a great way to make tax advantageous contributions, especially if you don't itemize your deductions.

The CARES Act, which was necessary to address the far-reaching effects of the COVID-19 pandemic, provides additional tax incentives to encourage charitable giving.

Please contact **Todd Tuney, Chief Development Officer**, to learn about the many ways you can support The YMCA of Greater Boston.

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