

100% AGI giving opportunity for 2021

As many of 2020's challenges continue into this new year, one bright spot is an exciting opportunity for generous people like you to maximize your charitable giving and, in some cases, give more than you ever dreamed possible. A provision under the CARES Act (see page 2 for details) has been extended into 2021 that allows you to deduct up to 100% of your adjusted gross income (AGI) for qualifying charitable gifts.

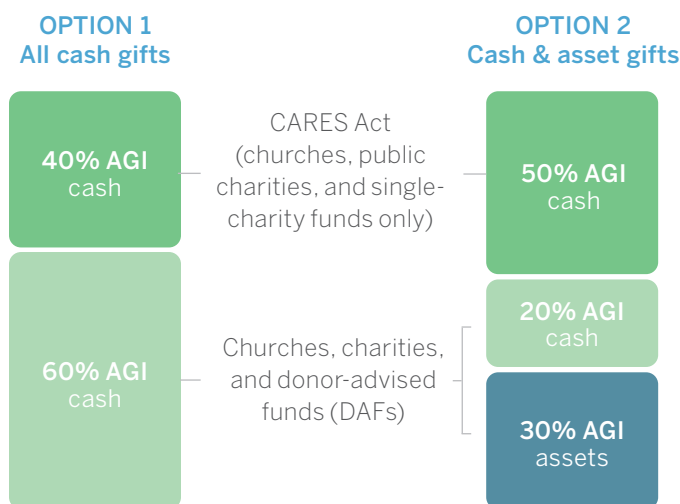
An exciting opportunity for itemizers

If you itemize deductions on your income tax returns, you can deduct charitable cash gifts up to 100% of your AGI this year and may eliminate (or significantly reduce) your federal income taxes.

Two ways to get to 100% giving

Option 1 (all cash): You can give up to 100% of your AGI in cash (60% under the pre-existing tax law still in effect, and an additional 40% under the CARES Act).

Option 2 (cash and assets): You can give up to 30% of your AGI in asset gifts (such as publicly traded securities, real estate, and business interests) and 70% in cash. Importantly, with either option, the portion of the additional giving opportunities allowed under the CARES Act must be given only to churches or other public charities, rather than donor-advised funds or private foundations.



Maximize your 100% AGI giving today

Learn how at ncfgiving.com/wisconsin or call us at 262.796.9910

Benefits of 100% AGI giving

- The new law allows you to deduct 40-50% more than you could deduct in other years.
- It still allows for any non-cash gifts you planned to give – up to 30% of your income.
- It allows you to send more to the churches and charities you care about.

Single-Charity Fund

If you would like to support your church or favorite charity over time and not all at once, you can open a Single-Charity Fund with NCF, a type of Single Identified Organization (SIO) account that receives the same tax treatment as gifts made directly to charities.

You make gifts into your Fund, advise how you want the fund balance to be invested, and then decide when and how much to grant to the charity (including the option for anonymous granting).

Creative giving options

To reach 100% of their AGI giving in 2021, givers at NCF are taking advantage of creative strategies to maximize today's unique opportunity. Ways they're considering giving include:

First 30% in assets

- Publicly traded securities
- Real estate
- Business interests
- Other appreciated assets

Remaining 70% in cash

- Exercising stock options
- Retirement account withdrawals
- Other tax-efficient cash gifts

100% AGI case study*

Amy Carson, who gives non-qualified stock options

Amy is a software engineer who has been working for a major technology firm since graduating from MIT 15 years ago. In 2011, she received non-qualified stock options on 10,000 shares in the company. At the time, each share was valued at \$25. Today, however, they are valued at \$175.

Several years ago, Amy visited missionaries in India who serve women and girls in need, and she promised herself she would do something to increase the ministry's capacity and reach.

After evaluating 2020's unique 100% AGI giving opportunity with her professional advisors, Amy exercised \$1.25M of her stock options in a cashless exercise resulting in the immediate sale of the optioned shares. She then made cash gifts to two NCF single-charity funds established for her church and the missionary-sending ministry she is passionate about supporting.

While exercising her stock options will create taxable income to Amy, her subsequent cash gift of the stock sale proceeds will reduce the federal income taxes that would otherwise be owed on her stock option exercise.

Amy was thrilled to share the wealth God entrusted to her with needy women and girls, and she was thankful that NCF provided her with a creative way to give more wisely.

Please consult professional advisors regarding your financial and estate planning needs before giving from complex assets or retirement accounts to align potential gifts with your long-term objectives. Your advisors can provide additional advice regarding applicable state taxes, alternative minimum taxes, and other potential taxes.

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About the CARES Act Extension

On December 27, 2020, the Consolidated Appropriations Act of 2021 was signed into law and gave new life to many of the temporary relief provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"). Some of the CARES Act provisions were temporarily extended for 2021 while a few others were made permanent, like a \$300 universal charitable deduction for non-itemizers.

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