



DIOCESE OF DES MOINES



Catholic Foundation of Southwest Iowa

Fundraising and Philanthropy for the Future

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The retirement tax break that will give you annual Income

- A new opportunity: **Donate up to \$50,000 from your individual retirement account** and get back monthly retirement paychecks at fixed rates of up to 9.7%, depending on your age.
- Charities are making this pitch in the wake of a series of retirement changes Congress passed in December.
- As of Jan. 1, **retirees age 70½ or older are now able to donate up to \$50,000 from their IRAs to fund a gift annuity.**
- The new law comes as the wealthiest generation in history begins to retire, with much of that wealth in retirement accounts.
- While charities have offered gift annuities for years, the **donations previously couldn't be made directly from retirement accounts.**
- **Charitable gift annuities offer benefits to both giver and receiver.** They appeal to retirees as a way to make a charitable splash while generating income for life.

The retirement tax break that will give you annual Income

CGA Example: 75 Year Old, \$25,000 gift

Investment	Annual Payout	Tax-free Portion	Ordinary Income	Spendable \$ after 12% taxes	Charitable Tax Deduction
1% savings account	\$250	0	\$250	\$212.50	0
2% certificate of deposit	\$500	0	\$500	\$425	0
Charitable Gift Annuity	\$1,650	\$1054	\$595*	\$1,577.60	\$11,934

These calculations are estimates of gift benefits, your actual benefits may vary

- a 5.9% CGA rate (1-1-23)
- a 12% tax bracket

*after approx. 15.9 years, 100% of payment will be considered ordinary income

Money Market Offering

Currently CFSWIA offers three portfolio solutions. The Strategic Growth Fund, Moderate Growth Fund, and the Capital Preservation Fund.

We are happy to add a new offering **USCCB Compliant Money Market fund as of July 1, 2023**. This fund can be used as a proxy for those with cash sitting in checking/savings accounts that are seeking to earn higher yield with generally low principal risk. **This fund is meant for short term investment only.**

This fund will be **100% invested in a Government Obligations Money Market Fund**. The purpose of this fund is to seek current income consistent with stability of principal by investing in US Treasury securities maturing in 397 days or less. The **current yield on the fund as of 9/11/2023 is 5.22%** which is paid out each month end.

Market yields on money market funds and treasuries are much higher than those yields on traditional savings account. We have expanded this offering for fund holders wishing to capture this yield on pure cash sitting in bank accounts. Liquidity is daily and if cash is needed for immediate use, we will be able to transfer this cash back to your bank account. The “all in” fee for this option will be 0.15% which includes all applicable fees between CFSWIA, the fund, and Graystone.

We encourage you to think about cash needs and if there is flexibility in being able to earn excess yield on cash sitting idle.

Planned Giving 18 Month “Plug and Play”

- Master calendar for rollout
- Social media/video tips
- Bequest language
- Letter templates
- Pulpit announcement templates
- Planned giving tips and resources
- Planned giving ads for social media and bulletin

CFSWIA Website Free Resources

- *Personal Estate Planning Guide and Workbook*
- *A Guide to Making Your Will*
- *Payments for Life Guide*
- *FAQS*



DON'T WORRY!

You don't need
a will.

The government
will take care of it
for you.



in partnership with

 **The Catholic Foundation of Southwest Iowa**
515-237-5044 | www.catholicfoundationiowa.org

Want to create a
lasting legacy
at your church or school?

It's simple! You can do this
in your will, a life insurance
policy, or other beneficiary
designations.



Gifts of any size make a
BIG difference.

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Can I direct my Minimum Required
Distribution (RMD) to charity?

YES!

If you are 70.5 years of age, you can direct
your RMD to a charity, and it will not be
reported as taxable income in your return.
This provision was a temporary provision in
the tax code, but was made permanent in
2016. It is called a Qualified Minimum
Distribution.

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If your will intentions conflict with your beneficiary designations, the beneficiary listing trumps those wishes.



Reviewing your estate plan every 5 years is recommended.

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DID YOU KNOW?

Tax-wise, these are the best assets for your parish:

- IRA
- 401K Plan
- Tax-Deferred Annuities

WHY?

If your family members receive these assets, they will pay income tax on them (tax may be deferred), but your charity does not pay income tax.

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Are you interested in making your philanthropic dreams come true?

Call us today to receive a free estate planning guide.

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LIFE INSURANCE offers a large gift opportunity at little cost.



You can designate a charity as a beneficiary of your life insurance policy. The proceeds distributed to the charity will be exempt from estate tax in the donor's estate.

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