

# DOING A MITZVAH WHILE SAVING MONEY

For many retirees reduced time working has a catch, reduced income that is still subject to income tax. Thus, while maximizing after tax income is worthy goal for all of us, it is especially important to retirees.

Fortunately, the Internal Revenue Service Tax Code offers a number of ways that you can reduce taxable income while performing the Mitzvah of making a donation to the Temple.

One method is to donate appreciated stock investments to the Temple. By giving appreciated stock to the Temple, you will save taxes in two ways. First, you can take a charitable tax deduction in the amount of the sale price for the stock you sold and donated. Second, you will avoid paying capital gains tax, which today is 15%, on the realized gain. Depending on your tax bracket, and the amount donated, the tax savings could be substantial.

The second method is to prepay your future Temple dues and other Temple donations in a year when you've had extraordinary investment income. Depending on the amount you prepay, your itemized deductions could exceed the standard deduction for you in that year.

The third tax savings opportunity, a Qualified Charitable Deduction (QCD), is available to you if you have to take a Required Minimum Distribution (RMD) from an IRA. To make a QCD, have your fiduciary send a check to you, but payable to the Temple, and drawn on the IRA account that is subject to the RMD. Because you withdrew the money it counts toward your RMD, but, because you didn't receive the money it doesn't count as income to you. Again, depending on your tax bracket and the amount of the QCD, the tax savings could be substantial.

If you fund a Temple account in your name by any of these methods you can use those funds to pay any Temple event fee, assessment, sponsorship, pledges, and/or dues.

As with any financial matter, consult your accountant or financial advisor to make sure that any of these tax savings methods is right for you. If you have any questions, please call either of our Temple Sinai Co-Treasurers - David Stern or Bob Silver at 561-276-6161 ext. 121