

YEAR-END IS A Time for Giving

Tax-Savvy Giving

Donating electronically or by check is a convenient way to support the church or other ministries you care about. Making an extra gift or moving a future gift into 2026 may help you reach the threshold for itemizing deductions. The 2026 standard deduction is \$32,200 for married couples filing jointly; \$24,150 for heads of household; and \$16,100 for single filers, with additional amounts for those 65 and older. There's good news for those taking the standard deduction: in 2026, you may still be able to deduct up to \$1,000 in qualifying cash charitable contributions (\$2,000 for married couples filing jointly). To receive a 2026 deduction, your check must be dated 2026 and received or postmarked by December 31, 2026; electronic gifts must be initiated by December 31. As with all tax-related information, please consult your tax professional about your particular situation.

Giving Appreciated Property

If you own investments that have increased in value (*stocks, bonds, real estate, or mutual funds*), you can donate them to a church or charity and take a charitable income tax deduction for the full fair market value and avoid declaring the capital gain of the assets as income. Many people consider this the equivalent of a "double deduction." Here's an example of how that works:

SALE & GIFT		DIRECT GIFT	
Stock with Fair Market Value (Cost Basis \$200)	\$1000	Stock with Fair Market Value (Cost Basis \$200)	\$1000
Taxable Gain on Sale	\$800	Taxable Gain on Sale	\$0
Capital Gains Tax at 15%	\$120	Capital Gains Tax at 15%	\$0
Net Gift to Charity	\$880	Net Gift to Charity	\$1000
Charitable Tax Deduction	\$880	Charitable Tax Deduction	\$1000
Tax Savings at 22%	\$193	Tax Savings at 22%	\$220

Notice how the Direct Gift option can result in the church or charity receiving \$120 more while costing \$27 less in taxes! To receive this special tax treatment, you must have owned the property for at least one year.

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Giving & Retaining Income for Life

Did you know you can give to a charity while retaining income from the gift for the rest of your life? A charitable gift annuity or charitable remainder trust enables you to receive flexible or guaranteed income. Plus, there are significant tax advantages. Let's assume you are 70 years old, single, and wish to make a \$10,000 gift to the church when you are gone but need to receive income until then. You can make the gift now and receive several attractive benefits. First, you could receive income that exceeds what you are currently earning on the \$10,000. At age 70, your annuity rate on the \$10,000 is likely to be greater than what's available with most bonds or CDs. Next, a portion of the annuity income may be tax-free over your life expectancy. Finally, you could receive a charitable income tax deduction for the remainder portion of your gift. This deduction can save you a sizable amount in federal income taxes. Making a life-income gift now offers all these advantages and provides the satisfaction of knowing you have helped your church or charitable organization in a significant way. **The United Methodist Foundation that serves your conference can help you with these types of gifts.** To find contact information for your UM Foundation, visit www.naumf.org/locations.

Giving Unneeded Life Insurance

Do you own an old life insurance policy that is no longer needed? Perhaps the purpose for the policy no longer exists (*your children are grown, or your mortgage is paid off*) or your financial situation has changed, mitigating the need for the insurance. Consider giving the policy to the church or a charity and receive a charitable income tax deduction for the lesser of your cost basis or the replacement value.

This is a great way to benefit a cause you support without reducing your checking account. If the value is more than you wish to donate, consider cashing in the policy and giving a lesser portion. Your gift may sufficiently reduce or eliminate any potential taxes due from the sale.

Memorial, Honor, and Endowment Gifts

As you remember and give thanks to God for special people who have touched your life, consider making a gift in their honor or memory as a meaningful way to celebrate their legacy. A gift to your church's memorial fund is an act of thanksgiving and remembrance. If your church has an endowment, your gift will help sustain ministry for generations to come.

Giving Is the Language of the Heart

During the Christmas season, we give gifts to those we love, following the tradition of the magi so long ago. They brought gifts in response to God's most precious gift, Jesus Christ. What does John 3:16 say? *God loved, and God gave.* This is the heart of our faith. We give in response to all that God has given us. May God bless you with faith and generosity as we move into 2027.

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