

MAKE THE MOST OF YOUR GIVING TO THE UNITED WAY OF YORK COUNTY USING THE CARES ACT:

Here's what you need to know about the CARES Act, and how you may be able to maximize your charitable giving this year to the United way of York County when it means the most.

On March 27, the Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law to help combat the far-reaching impacts of COVID-19. The CARES Act may provide increased tax incentives for charitable giving for some donors, but these benefits apply only in the 2020 tax year, so you must act by December 31.

First, donors who **itemize** can deduct cash contributions to United Way of York County and most other public charities to offset up to 100 percent of their income. Ordinarily, this income tax charitable deduction for cash gifts is limited to 60 percent of income. The 100 percent limit allows especially generous donors to reduce their 2020 federal income tax to zero. Existing carry-over rules still apply, so those who are even more generous can carry forward unused cash contribution deductions for up to five years. This makes it easier for our most generous supporters to make a gift of a lifetime to United Way of York County.

If you don't itemize, you can take the **standard deduction** AND reduce your taxable income by up to \$300 for gifts of cash to public charities by using an "above the line" adjustment.

ANSWERS TO A FEW QUESTIONS REGARDING THE CARES ACT AND GIVING:

CAN A DONOR AGE 70½ OR OLDER STILL MAKE A GIFT TO UNITED WAY OF YORK COUNTY FROM AN IRA?

Most required minimum distributions (RMDs) from retirement plans have been eliminated for 2020; however, donors age 70½ or older can still make a qualified charitable distribution (QCD, or IRA charitable rollover) of up to \$100,000 to United Way York County from their IRA. While the benefit of using a QCD to satisfy an RMD does not apply for 2020, a QCD remains a great way to make tax-advantageous gifts, especially if the donor doesn't itemize deductions.

DOES THE CARES ACT HAVE ANY IMPACT ON CORPORATE GIVING?

Yes. The CARES Act Increases the cap on how much corporations may deduct for charitable gifts from 10 percent of taxable income to 25 percent.

DOES THE CARES ACT APPLY TO ANY GIFTS OTHER THAN "CASH"?

The increased limits are applicable only to cash donations. Contributions of any kind of property, including marketable securities, real assets or otherwise, do not qualify.

WHO SHOULD UNITED WAY OF YORK COUNTY SUPPORTERS CONTACT IF THEY HAVE QUESTIONS?

We advise donors to check with their tax advisor to learn more about how the CARES Act may specifically apply to their tax situation.

We know that our supporters have important priorities for their families and loved ones and that their health and financial well-being comes first. We are here to help shape a charitable gift plan that suits a donor's needs and allows them to keep supporting our important work. Please contact Jason Ketterick at jketterick@buildcommunity.org

Thanks again for your generous support of United Way of York County.

This information does not constitute legal or financial advice. Consult your financial advisor and obtain professional counsel of an attorney to assist you in making a gift in a way that will benefit the people and organizations you care most about.

**United Way
of York County**

