



# SAVE ON YOUR TAXES

BY GIVING GENEROUSLY

## THE DETAILS...

If you are 59 ½ years of age or older, and if you are able to make withdrawals from your 401k or 403b retirement accounts without any penalty, this money is normally taxable—the amount would be added to your AGI. However, in 2021, if you give 100% of your withdrawal to a charity, you will pay no income taxes on these funds. Should your charitable contributions actually exceed your AGI, your excess giving can be carried over as a charitable contribution for up to five years.

If you take the standard deduction and do not itemize your deductions on your tax returns, the CARES Act still has benefits for you, as well. You can deduct up to \$300 (or \$600 for a married couple) as a charitable contribution. This is an “above the line” adjustment that will reduce your AGI, thus saving you on what is owed in taxes.

As Family Life’s “Building Our Future” year-end project unfolds, you can use these tax incentives to help the ministry follow the plan of Proverbs 24:27 in making the site ready for the future building!

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# WOULD YOU LIKE TO HAVE YOUR TAX LIABILITY FOR 2021 **COMPLETELY WIPE OUT?**

What would it feel like to pay Uncle Sam zero dollars in taxes for this calendar year? It is possible for this scenario to happen if you are strategic in your charitable giving.

**BOTTOM LINE:** Limits for how much you can deduct on your taxes for charitable giving have been lifted once again in 2021. The more you give, the more you can deduct — **up to 100% of your annual income.** Keep reading to learn how!

**THE CARES ACT**, passed in 2020 in reaction to the financial difficulties created by the COVID-19 pandemic, temporarily increased the Adjusted Gross Income (AGI) limit on cash contributions made to charities. In 2020 before Covid-19, that limit was 60% of your AGI. However, Congress, in response to the pandemic, increased that limit to 100% of your AGI for 2020 and then extended that provision throughout 2021!

**WHAT THAT MEANS IS THAT you can completely negate any tax liabilities owed to the government this year if your total charitable contributions reach or exceed 100% of your AGI.**

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