

Dear Congregants,

Please consider the following year-end tax strategies with your tax adviser when making your Temple Har Shalom contributions not only for Burn The Mortgage contributions but also for dues, our annual operating needs, the additional \$1 million loan obligation, and our capital repairs and replacement fund.

Bunching charitable contributions. Under the new tax law provisions effective for 2018, couples with total itemized deductions of no more than \$24,000 (\$12,000 for singles) may use the new standard \$24,000/\$12,000 deduction. That means a simpler tax filing and possibly a lower tax bill. However, taxpayers taking the standard deduction won't be eligible to claim itemized deductions for charitable gifts, home mortgages, state and local taxes, and certain other deductions.

To make the most of the potential itemized tax deductions available, consider "bunching." This means concentrating itemized deductions in a single year so that the total exceeds the new \$24,000/\$12,000 standard deduction and claiming the standard deduction in other years when your total itemized deductions fall below the new \$24,000/\$12,000 standard deduction. Bunching donations to THS and other charitable organizations in a single year may increase the tax benefit of these deductions in that year.

Qualified Charitable Distributions (QCD). If you or your spouse is 70-1/2 or older with an IRA, please remember that you can make a gift to Temple Har Shalom this year directly from the IRA. In addition to supporting THS, a charitable rollover directly to THS from your IRA may provide significant tax benefits.

After you reach 70-1/2, you must take a Required Minimum Distribution from your IRA each year. Subject to the advice of your tax professional, please consider donating a portion or the entire amount of the RMD to THS as a new contribution or to fulfill a previous pledge. The gift from your IRA must come directly to THS from the administrator/custodian of your IRA.

Some potential benefits of direct rollovers from an IRA include:

- Rather than distributing the full amount of your RMD to yourself increasing your gross income subject to taxation, you may make a qualified distribution from your IRA (up to \$100,000 per person) directly to THS. This payment can be used for your THS dues and/or for any other qualified charitable donation.
- The amount of the THS distribution counts toward your RMD.
- Although there is no charitable tax deduction, the amount you send directly to THS from your IRA is excluded from your income for federal tax purposes. This means you pay no federal income tax on this amount.
- If you receive social security, your base income amount for purposes of determining the amount of social security that is subject to income tax includes your RMD. However, the amount of your charitable rollover to THS is not included in your base income.
- A charitable rollover to THS is not included in income used to determine Medicare premiums.
- If you are subject to the Affordable Care Act's tax at 3.8%, a rollover contribution may help to reduce this tax.

- Some but not all state tax laws allow charitable deductions. Check with your tax adviser to see if your charitable rollover to THS is included in your state taxable income.
- THS pays no tax on the charitable rollover amount.

After consultation with your tax adviser, the details of transferring QCD funds to THS can be arranged through Wayne Crouch, Accountant of Temple Har Shalom.

Please contact Wayne Crouch at (435) 602-1445 or email him at accounting@harshalomparkcity.org if you have any questions. Wayne can furnish you with the transfer instructions for your IRA administrator to make your rollover contribution.

Thank you for your continued support and commitment to THS.

Sincerely,

Steve Volk

Temple Har Shalom Treasurer