

# Tax Benefits of the CARES Act

The new CARES (Coronavirus Aid, Relief, and Economic Security) Act is designed to help you, businesses and nonprofits facing economic hardship during the coronavirus pandemic.

Here are a few key provisions of the CARES Act that may affect you and your charitable goals:

## Required Minimum Distributions Suspended

The new law temporarily suspends the requirements for required minimum distributions (RMD) for the 2020 tax year. This probably comes as a relief to many of you who would have had to withdraw from your retirement accounts. Many of our donors use their RMD to make a gift from their IRA. Despite the RMD suspension, remember that if you are 70½ or older, you can still make a gift from your IRA or name Pope St. John XXIII National Seminary as a beneficiary.

## Why a Gift From Your IRA May Still Be a Good Idea

- Your gift will be put to use today, allowing you to see the difference your donation is making.

- You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.
- Since the gift doesn't count as income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax.

## New Tax Incentives

The CARES Act expands charitable giving incentives and allows taxpayers who take the standard deduction to make up to \$300 of charitable contributions to qualified charities this year. You might think that this is a small amount and would not make a difference. But what if all of our donors gave “just” \$300? Such support would have a huge impact on our formation program.

For those who do itemize their deductions, the new law allows for cash contributions to qualified charities such as Pope St. John XXIII National Seminary to be deducted up to 100% of your adjusted gross income for the 2020 calendar year.

## Your Charitable Goals

We are deeply grateful for your continued support and prayers during this difficult time. Please contact Kate Folan at [kfolan@psjs.edu](mailto:kfolan@psjs.edu) or 781-899-5500 to discuss how your gift can help further the mission of Pope St. John XXIII National Seminary.