



## ADVANTAGES OF TRANSFERRING APPRECIATED STOCK OR GIVING FROM YOUR REQUIRED MINIMUM DISTRIBUTION

The federal government offers tax advantages in two distinct ways for donors considering a gift (or payment on a pledge) to the Wayne Memorial Health Foundation for the benefit of Wayne Memorial Hospital's Second Century Fund. One applies to folks who have already turned, or will turn, 70 1/2 years old in 2019, and the other one applies to folks who are any age.

### ADVANTAGES OF TRANSFERRING APPRECIATED STOCK

*Caution:* To take advantage of this option, you must have owned the stock for more than one year, and you must itemize deductions on your tax return.

Transferring appreciated securities may provide a special tax benefit to donors of any age, while benefiting the Hospital.

- + *Neither you nor the Wayne Memorial Health Foundation will have to pay any capital gain taxes on the sale of the stock.*
- + *You are eligible for an income tax deduction based on the full, fair market value of the stock on the day you relinquish control of the stock.*
- + *Of course, you will be making an excellent investment in an important community resource: Wayne Memorial Hospital.*

*An Example:*

- + *200 shares of stock purchased in 2011 @ \$32 per share or a cost of \$6,400.*

- + *The 200 shares are now worth \$110 per share. When the stock is transferred to the Foundation, the value is \$22,000.*
- + *The potential tax deduction is \$15,600, calculated on the full, fair market value of the stock minus the purchase price.*

If you sell the stock and give the proceeds to the Foundation, you are likely to pay capital gains taxes depending on your taxable income. To avoid adverse tax consequences, you need to transfer the stock.

### MAKING A STOCK TRANSFER

When making a stock transfer to the Wayne Memorial Health Foundation for the benefit of the Hospital's Second Century Fund, contact your broker and authorize the stock transfer to our broker. For that information, and, if needed, our Foundation's DTC number, please contact Patricia Dunsinger at (570) 253-8133.

**WE ALWAYS SUGGEST THAT YOU CONTACT YOUR PERSONAL TAX ADVISOR TO DISCUSS SPECIFIC POSSIBILITIES BEFORE MAKING ANY TRANSACTION.**

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## ADVANTAGE OF GIVING FROM A RETIREMENT REQUIRED MINIMUM DISTRIBUTION (RMD)

*Caution:* To take advantage of this option, you must be 70 ½ years old and subject to Required Minimum Distributions; these advantages do not apply to IRAs until minimum distributions are required.

Individuals who turn 70 1/2 in 2019, or those who have already reached that milestone, are allowed by the federal government to reduce their tax burden by giving directly to charities through a qualified charitable distribution (QCD) from retirement funds which require a minimum distribution (IRA, 403 (b), etc). You can instruct the custodian of your plan to prepare a check, made out to the Wayne Memorial Health Foundation, listing your name on the memo line. Direct that it be sent directly to the Foundation at the address below.

Wayne Memorial Health Foundation is a 501 (c) (3) non-profit organization and a qualified charitable distribution. A gift or pledge payment to the Foundation counts as part of your RMD and *will not be counted as taxable income for that tax year!*

*An Example:*

- + Assume that a donor's RMD for 2019 is \$40,000. The tax liability would be determined by the donor's tax bracket after all other taxable income for the year.
- + Assume the donor instructs his/her custodian of the IRA to donate \$4,000 to the Wayne Memorial Health Foundation.
- + If the \$40,000 distribution puts the donor in the 22% bracket, as an example, only \$36,000 would be reported to the IRS as income by your custodian. This would save the donor \$880 in taxes.
- + There is no need to itemize deductions to take advantage of this method of philanthropy.

**AGAIN, WE ALWAYS SUGGEST THAT YOU CONTACT YOUR PERSONAL TAX ADVISOR TO DISCUSS SPECIFIC POSSIBILITIES BEFORE MAKING ANY TRANSACTION.**

**WAYNE MEMORIAL  
HEALTH FOUNDATION  
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