

Gifts of Retirement Assets to Christian Veterinary Mission

Many Christian Veterinary Mission donors have an IRA or a so-called qualified retirement plan (such as a 401(k) or 403(b) plan) through a current or past employer. This is an attractive option because you can benefit from these assets throughout your life and give all or a portion to CVM upon death. Still, in some cases it can make sense to draw on such assets in making a gift to CVM during life. Moreover, there are tax incentives for doing either.

Beneficiary Designation Gifts

With this easy option, you simply complete and submit a beneficiary designation form provided by the custodian of the IRA or retirement plan. Doing so is appealing for several reasons:

- Your gift avoids the probate process.
- You can make CVM a contingent beneficiary if providing for a loved one in the event he or she survives you is a higher priority.
- No tax of any kind is paid on the gift by you, your estate, your heirs, or CVM.
- If you need to revise or cancel the arrangement at a later date, you just complete a new form and submit it.

Consider this example:

Justin would like to provide both for his family and for Christian Veterinary Mission once his life has ended. In speaking with his estate planning lawyer, Justin learns that if he designates his children or other individuals as beneficiaries of his 401(k) plan, they will need to pay income tax on every dollar they receive. By contrast, CVM – as a tax-exempt entity – will pay no tax on anything it receives. With this in mind, Justin designates CVM to receive whatever remains in the 401(k) upon death, with his children receiving stocks and real estate that get a step-up in their cost basis when he dies which minimizes their tax if they sell it.

Gift While Living Starting at age 59 ½

You may wish to consider using a distribution from an IRA or a qualified plan to make a donation to Christian Veterinary Mission. The best approach may be to keep the cash distribution but then transfer long-term appreciated stock or other publicly-traded securities directly to CVM. You'll avoid paying capital gains tax on any of the appreciation, receive a tax deduction for the full value of the securities, and can use the cash any way you wish (including to reestablish your position in the securities you contributed, this time at a higher cost basis). Be sure to check with your tax advisor first, however, to confirm the appropriateness of this approach for your situation.

Special Option Available Only with Traditional IRAs

You may be able to authorize the custodian of a traditional IRA to send a check directly to Christian Veterinary Mission. Even though none of your gift will be deductible, neither will any of the gift amount be added to your taxable income. The following rules apply to such a qualified charitable distribution (QCD), sometimes referred to as an "IRA charitable rollover:"

- *You must be at least age 70-1/2 when the QCD is made.*
- *You can use a QCD to satisfy your overall required minimum distribution amount for the year. Note: The age requirement in 2024 is 73.*
- *The total of the QCDs in a single year from an individual person cannot exceed \$105,000 combined for the benefit of CVM and any other charitable organizations you may wish to support.*