

Income Tax and WP

By Ed Welch

There are some specific aspects of life at Westminster Place that should be taken into consideration when we prepare our taxes. This is not intended to be tax advice but rather a suggestion of some things that you might want to look into or talk about with whoever helps you with your taxes.

Property Taxes: Westminster Place pays property taxes. Early each year it sends residents a letter showing how much property tax it paid toward your residence. Most residents are able to list this amount as a deduction on their income taxes.

Medical Expenses: A substantial part of our **entrance fees** and our **monthly fees** may be considered the payment of future medical expenses. Early each year WP sends us information about how this can be calculated. Our ability to use this depends on a number of factors but many residents find it quite valuable. Note, this is especially helpful during the **first year that a resident moves into WP and pays an entrance fee.**

Charitable Gifts: In general gifts to the **Geneva Foundation** are deductible. Residents often make gifts through the Geneva Foundation to the New Hope Scholarship Fund and the Employee Appreciation Fund as well as more general gifts to the Geneva Foundation. A couple of warnings are in order here:

Residents sometimes donate the balance of their **Discretionary Dollars** account to the Geneva Foundation. If you take **both** the medical deduction discussed above and make a gift from your Discretionary Dollars account, you should note that beginning in 2024 the cover letter describing the medical deduction contains the following language: “[I]f at any time during the calendar year, you elected to donate a portion of your discretionary dollars to the Geneva Foundation, your tax advisor may require you to exclude the donated amount, to ensure you are not duplicating your taxable deduction.” This is an issue you should discuss with your tax advisor.

Some of us make charitable gifts from our Individual Retirement Account (IRA) directly to a charity in the form **Qualified Charitable Distribution (QCD)**. Although a little complicated, we find this to be a very favorable tax strategy. **The Geneva Foundation cannot accept at QCD.** This is because it is a special type of charitable organization known as a “Supporting Organization”. You can make a QCD to our parent organization, Presbyterian Living.

Presbyterian Living and the Geneva Foundation are, of course, very anxious to help you if you want to give them money. If you are considering a **QCD** or a gift of **appreciated stock**, call them at 847 979-3922 and they will help you.

If you are considering any of these issues and wish to pass this information on to your tax advisor, you should be able to print this page and send it on.