

St. Mary Charitable Giving Information

You may be eligible for a qualified charitable distribution if you:

Are 70½ or older

Have an IRA

Would like to gift any amount up to \$100,000 to a qualified charity, tax free

You are subject to required minimum distribution (RMD) rules for your IRA beginning at age 70½. If you are 70½ or older, gifting some or all of your RMD income using the qualified charitable distribution strategy may be a great way to both benefit a charity and reduce the taxes you pay

If you have charities you would like to support, pretax money saved in an IRA can be an ideal charitable donation. Rather than passing these assets to a beneficiary – who will likely pay taxes when the inherited IRA is distributed – you can give them to charity by taking a qualified charitable distribution. A qualified charitable distribution will count toward satisfying your required minimum distribution, and neither you nor the charity will have to pay income taxes.

FAQs

Can I make a qualified charitable distribution every year?

Yes. If you qualify for a QCD, you can give up to \$100,000 per year from your IRA directly to a charity.

Is a qualified charitable distribution more valuable than a regular charitable deduction?

For some people, a qualified charitable distribution has distinct advantages over a regular charitable contribution:

- A qualified charitable distribution counts toward satisfying your required minimum distribution.
- You can take a qualified charitable distribution whether or not you itemize deductions on your tax return. If you use the standard deduction, you would generally receive no tax benefit from a regular charitable contribution. This is especially important given the increase in the standard deduction beginning in 2018.
- A qualified charitable distribution is not included in your adjusted gross income (AGI). This could benefit you because AGI (or a modification of AGI) is used to calculate certain other taxes and benefits.
- The regular charitable contribution deduction is typically limited to no more than 50% of AGI. This AGI limit does not apply to a qualified charitable distribution.



Checklist

Use this checklist to learn more about the tax rules around qualified charitable distributions.

Is the distribution from an IRA?

Only IRAs are eligible for qualified charitable distributions¹. If you have money in a 401(k) or other non-IRA plan, the assets must be rolled to an IRA to be eligible for a qualified charitable distribution².

Are you over 70½?

You cannot take a qualified charitable distributions until you actually turn 70½.³ This is also true for the current taxpayer of an inherited IRA.

Is the distribution amount \$100,000 or less?

If more than \$100,000 is distributed, the excess does not qualify as a qualified charitable distribution; it will be included in your AGI and possibly subject to income taxes.

Is the check payable directly to the charity?

You cannot take active receipt of the money. If you want to personally mail the check to the charity, request the payee on the check to be the charity, but have the check sent to your home so you can forward it to the charity with the necessary documentation.

Is the distribution to a public charity?

Only distributions made to a qualified 501(c)(3) organization can qualify as a qualified charitable distributions. Distributions to a donor-advised fund, supporting organization, private foundation, charitable remainder trust, charitable gift annuity, and pooled income funds do not qualify.

Does your tax advisor know you are taking a qualified charitable distribution?

Because there is no special process or reporting of a qualified charitable distribution on IRS Form 1099R, it is important that your tax advisor is made aware that the distribution is a qualified charitable distribution so it is properly reported on your tax return. The instructions for IRS Form 1040 include information on reporting qualified charitable distributions.

Meet with your advisor.

Talk to your financial advisor and your tax advisor to learn more about qualified charitable distributions.

Charitable Giving creates future opportunities for St. Mary Catholic Church, while balancing your own personal financial goals and achieving significant tax benefits. Prayerfully determining what gift is right for your personal situation is as important as deciding to make a gift. There are many ways to give:

- Naming St. Mary Catholic Church, Delaware, OH as a bequest through your Will and Trust
- Gifts of Appreciated Assets (stocks, properties, etc.)
- Charitable Gift Annuities (fixed income for life)
- Gifts of Insurance
- Charitable Remainder Trusts & Charitable Lead Trusts
- Donor Advised Funds
- Endowments
- Scholarships

Whatever option you choose, you will be helping to secure a legacy of a strong parish community for generations to come.

Create a gift plan today by contacting the parish office at 740-363-4641 ext. 102 for more information.

For more information, please visit The Catholic Foundation at www.catholic-foundation.org.

