

## Tax-free Charitable Gifts from Your IRA

Taxpayers have an opportunity to make tax-free charitable contributions to their church or to the Southwest Conference from their IRA. The tax law now allows someone age 70 ½ or over to make a gift directly from a traditional IRA to a qualified public charity, such as your church, in the form of a Qualified Charitable Distribution (QCD). Be aware, **the gift must go directly from the IRA custodian to the church and not come to you first.** As of March 27, Required Minimum Distributions (RMDs) from retirement accounts have been suspended for 2020. You can still make a qualified charitable distribution, but it won't count toward your RMD this year. You must make your donation by the December 31 IRS deadline for it to count this year.

You can also take advantage of this tax law change even if your retirement benefits are not in a traditional IRA account; for example, in a 401(k) or 403(b) retirement account. All that is necessary is that you rollover your 401(k) or 403(b) account into a traditional IRA account first. Importantly, some retirement plans will allow you to do a partial rollover of your 401(k) or 403(b) funds, transferring part into a traditional IRA while leaving part in the 401(k) or 403(b). Once the funds are in a traditional IRA, you can request your IRA custodian to make your QCD gift to your church. Again, we recommend you consult your financial planner, 401(k) or 403(b) plan administrator, tax preparer, IRS Publication 590-B, or the IRS website [www.irs.gov](http://www.irs.gov). While the above focuses on giving to your church, the QCD option applies to all qualified charitable organizations.

The gift does not count as taxable income to you. This is a win-win situation. You win in two ways this year: 1) you essentially lower your taxable income, and thus your taxes; 2) you get to support your church's mission and ministry. The church wins by receiving support for its life and work. The only loser in this case is the IRS and the Dept. of the Treasury as no taxes are collected on the QCD funds. For further information, please consult your financial advisor, IRA plan administrator, tax preparer, [IRS Publication 590-B](#), or the IRS website [www.irs.gov](http://www.irs.gov). Hence, one could use this option to support their local church, the Southwest Conference, the national setting of the UCC, one of the UCC's special offerings (OGHS, STC, NIN, Christmas Fund), RIP Medical Debt, and Disaster Relief, to name just some potential beneficiaries. Thank you for your end-of year gift!