

Charitable Giving Through Your IRA

Using a **Qualified Charitable Distribution (QCD)** is a great way for individuals over 72 years with an IRA and a need to withdraw funds to meet a Required Minimum Distribution (RMD), to contribute to Avon United Methodist Church. The money you contribute to AUMC using a QCD is not included in your adjusted gross income on your tax return which is a better option than listing the donation as a simple charitable contribution.

REQUIREMENTS

- As of 2020, the **age** for withdrawing from retirement accounts changed. Instead of taking an RMD at **age 70½**, you can wait until you're 72.
- Distributions must be made **directly to an organization** eligible to receive tax deductible contributions. AUMC is a qualified 501(c)(3) organization.
- Qualified Charitable Distributions (QCDs) are limited to \$100,000 per individual per year (a spouse who qualifies may give a similar amount from his or her IRA).
- Charity receiving gift must provide donor proper substantiation of the gift.
- QCDs are reported on your Form 1040 tax return in the section for IRA distribution.

BENEFITS

- Can satisfy Required Minimum Distribution (RMD) in year QCD is made.
- QCD amount is not included in the donor's adjusted gross income, helping to potentially avoid increased taxes on SSI, higher Medicare premiums, and the loss of deductions/exemptions.
- Provides donors that use the standard deduction a tax efficient way to make a charitable gift.

To make an IRA qualified charitable distribution to the Church, a donor should

1. Instruct your IRA administrator to make the check payable to Avon United Methodist Church (TIN 35-1577412) and send the check addressed as follows:
Avon United Methodist Church
6850 E. US Highway 36
Avon, IN 46123
2. Notify Crista Moore, Finance Coordinator, by email cmoore@avonumc.com that the distribution is being made. Include the donor's name, mailing address, name of IRA administrator, amount being contributed, and allocation of the donation among tithing or other funds of the church. This will help ensure that the donation is credited properly.

Please contact the church office at 317-272-4068 if there are questions or additional information is needed.

If you have questions, you should contact your financial advisor, accountant or tax preparer. Additional information can be found at <https://www.irs.gov/retirement-plans/retirement-plans-faqs-regarding-iras-distributions-withdrawals>

The provided information is intended as general information only and is not intended as legal, tax or other professional advice. Donors and others should consult their own tax professional(s) for specific legal or tax advice on this matter.