



Make a Donation From Your IRA – Save Taxes And Medicare Premiums

- At Age 70½ Uncle Sam requires you to begin taking distributions from your IRA.
- These distributions are called required minimum distributions (RMD)
- These distributions can put you in a higher tax bracket, make some or more of your social security taxable and inflate your Medicare premium rates
- You can have your IRA trustee directly transfer your RMD to St. Anne
- If transferred directly to a qualified charity you get to exclude it from your income – no need to itemize to deduct it.

A Tax-Saving Way to Help St. Anne Catholic Parish-Tomball

If you are 70½ years old or older, you can take advantage of a simple way to benefit St. Anne Catholic Parish-Tomball and receive tax benefits in return. You can give from your IRA directly to a qualified charity such as ours without having to pay income taxes on the money.

Why Consider This Gift?

- Your gift will be put to use today, allowing you to see the difference your donation is making.
- You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.
- If you have not yet taken your required minimum distribution for the year, your qualified charitable distribution to St. Anne could satisfy all or part of that requirement.

Frequently Asked Questions

Q. I've already named St. Anne Catholic Parish-Tomball as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?

A. By making a gift this year from your IRA, you can see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching

your philanthropy take shape. Moreover, you can fulfill any outstanding pledge you may have made by transferring that amount from your IRA as long as it is \$100,000 or less for the year.

Q. I'm turning age 70½ in a few months. Can I make this gift now?

A. No. The legislation requires you to reach age 70½ by the date you make the gift.

Q. I have several retirement accounts—some are pensions and some are IRAs. Does it matter which retirement account I use?

A. Yes. A qualified charitable distribution to a qualified charity can be made only from an IRA. Under certain circumstances, however, you may be able to roll assets from a pension, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer from the IRA directly to St. Anne Catholic Parish-Tomball. To determine if a rollover to an IRA is available for your plan, speak with your plan administrator.

Q. Can my gift be used as my required minimum distribution under the law?

A. Yes, absolutely. If you have not yet taken your required minimum distribution, the qualified charitable distribution can satisfy all or part of that requirement. Contact your IRA custodian to complete the gift.

Q. Do I need to give my entire IRA to be eligible for the tax benefits?

A. No. You can give any amount under this provision, as long as it is \$100,000 or less this year.

Q. I have two charities I want to support. Can I give \$100,000 from my IRA to each?

A. No. Under the law, you can give a maximum of \$100,000. For example, you can give each organization \$50,000 this year or any other combination that totals \$100,000 or less. Any amount of more than \$100,000 in one year must be reported as taxable income.

Q. Since we are both over 70 ½ and have our own IRA accounts can my spouse and I both do a qualified charitable distribution to satisfy our required minimum distributions?

A. Yes. Each spouse will need to direct their account trustee to make a qualified charitable distribution to St. Anne or the charity of your choice. Please remember any amount would be greatly appreciated but there are applicable dollar caps.

It is wise to consult with your tax professionals if you are contemplating a charitable gift under this provision. **Remember the penalty for failing to take your RMD is 50% of the RMD!**

If your trustee or tax professional has any questions or if you would like to discuss this with a fellow parishioner, please feel free to contact our parish finance council member James Stryker C.P.A. ESQ, at (832)646-5542 or by email at colstryker@att.net. He has advised us he will be glad to offer guidance and assistance in this matter in exchange for prayers for our service members and their families.