

Additional ways to consider giving to Greater Still

Besides the traditional cash gifts, other gifting ideas to consider include Donor Advised Funds, stocks, bonds, real estate, wills and trusts, and Individual Retirement Accounts (yes, IRAs)! A change in the IRS tax code a few years ago now allows certain individuals to make charitable gifts from their IRAs. These gifts are referred to as Qualified Charitable Distributions (QCD). Listed below is a summary of the requirements and benefits of considering this gifting idea.

Requirement for a QCD

- The IRA owner must be age 70 ½, or older, at the time the distribution is made.
- Limitation-\$100,000 annually for each taxpayer. Husbands and wives can each make their own QCD, assuming each spouse has their own IRA. So, the maximum QCD for a married couple would be \$200,000.
- In order to qualify, charitable transfers have to be made directly from the IRA trustee. If the IRA owner receives a check and then writes a check to the charity, it will not qualify as a QCD.
- QCDs can only be made from a traditional IRA (SEP IRAs, Simple IRAs, and 401ks do not qualify). A common workaround for these type retirement accounts is to transfer the QCD amount out of these accounts, into a Rollover IRA, and then the account will qualify for QCD distributions. An Inherited (BDA) IRA will qualify, as long as all the other requirements are met. Roth IRAs qualify, but are not normally used, due to the "tax free" rules related to Roth IRAs.

Benefits to Using a QCD

- A QCD will count towards your Required Minimum Distributions (RMD). Although there is no charitable deduction for the QCD, the fact that it is not included in your income (lower Adjusted Gross Income...AGI) can potentially bring significant tax benefits including the following:
 - Depending on your other income, less Social Security benefits could be taxed.
 - Depending on your other income, lower Medicare premium increases.
 - Depending on your other income, lower tax rates on capital gains and qualified dividends.
 - A lower AGI could increase the level of allowed tax credits, and increase certain itemized deductions.
 - A lower Federal AGI normally reduces the state income tax liability.

If you should have any questions about the QCD gifting idea, or if you have other non-cash assets you would like to donate to our Greater Still ministries, please contact Susan Clawson (sclawson@fbcb.org) in the church offices.

As always when you are making any important tax decision, like a QCD, we strongly recommend that you consult with your tax and financial professionals to see the exact effect of making a QCD charitable donation to our Greater Still ministry.