

Potential Tax Effective Giving Using Your Required Minimum IRA Distribution

We have several HUMC members that have elected to support HUMC by using a portion of their IRA distribution to make their donation to the church. If the donor uses the standard deduction, charitable contributions cannot be itemized. Under the recently changed tax law, it is estimated that about 90% of people are taking the standard deduction versus itemizing.

Here is an adapted summary of the concept from the United Methodist Foundation of the Northern Illinois Conference:

- If you are 70½ or older, rather than simply take your “Required Minimum Distribution” (RMD), you can direct your IRA administrator to give a “Qualified Charitable Distribution” (QCD) from your eligible IRA to HUMC or another qualified charitable organization that you want to support financially. Your gift will apply to your RMD.
- You will pay no income taxes on the QCD (some limitations apply, such as the \$100,000 maximum gift). Note: Because the QCD is a charitable gift, it is not income to you. Therefore, you cannot also itemize the QCD amount as a tax deduction.
- Contact your IRA administrator for information on this simple yet impactful way to give.

If you would like to understand how to set up your giving to HUMC to utilize Required Minimum IRA Distribution, please contact Chris Malo (Financial Secretary) at chrismalo345@gmail.com to help establish the automated process.

Thank you for your support of the church.

Zed Francis
Chair of Stewardship and Finance