

Charitable gifts from an IRA

A tax-free donation to churches

Charitable gifts from an Individual Retirement Account offer a unique opportunity that church leaders should know about. This giving option may be attractive to older IRA owners who may wish to make tax-free gifts to their church. It is a source they can plan on in future years as well.

Key features of IRA charitable gifts

- IRA owners can transfer up to \$100,000 per year to a church or charity (that legally qualifies)
- The donation must be sent directly to the church. It cannot be channeled through a donor-advised fund (such as the Everence gift fund) or a supporting organization.
- The gift is tax-free and so is not included in the donor's adjusted gross income. (Since no income is recognized, the donor doesn't need a charitable receipt with the church's letter of acknowledgment.)
- The gift option is a tax benefit available to donors 70 ½ or older. (Younger people can donate from their IRAs but they don't receive the tax benefits).
- The gift can qualify for their annual "Required Minimum Distribution" (RMD) for IRA owners. This means they won't pay taxes on the portion of the RMD given to charity.
- To make a gift, a donor must request a qualified charitable distribution from his or her IRA provider.

A sample church bulletin announcement

Interested in a special giving opportunity through your IRA? Older owners of Individual Retirement Accounts are allowed to give donations from the account to a church or charity. You don't pay taxes on the gift and it may lower your taxable income. You must be at least 70 ½ years of age. You make a written request for the distributions of the charitable gift through your IRA provider. For more details, talk to [church representative or treasurer's name] or Everence representative [name], [contact information].

This information is not legal advice to churches. See your attorney about how this law affects your specific situation.



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