

Attention parishioners 70 and a half (70.5) years old!

Once you reach 73 years old, the IRS forces you to take minimum withdrawals from your tax-deferred retirement accounts each year. These Required Minimum Distributions (RMD) can increase your taxable income and your yearly tax bill. With your IRA accounts, however, you can direct your RMD (or part of it) to a charity via a Qualified Charitable Distribution (QCD). The QCD counts toward the amount you are required to withdraw (RMD) but isn't taxed. For a QCD to count towards your current year's RMD, the funds must come out of your IRA by your RMD deadline, generally December 31.

A Qualified Charitable Distribution (QCD) is a direct transfer of funds from your IRA to a qualified charity, executed in a way that the money never passes through your hands. Essentially, your IRA custodian sends the money straight to the charity of your choice.

If done correctly, that distribution is excluded from your taxable income. This is a big deal because normally any withdrawal from a traditional IRA is taxed as income. With a QCD, you get to donate to a cause you care about and avoid paying income tax on that amount.

Here are a few important conditions that need to be met in order for a donation to qualify:

- **Age Requirement:** You must be 70 and a half years old to use a QCD.
- **Annual Limit:** For tax year 2026, you can donate up to \$111,000.
- **Eligible Accounts:** QCDs can only be made from eligible IRAs - which include traditional IRAs (and in some cases inactive SEP or SIMPLE IRAs).
- **Qualified Charities:** The funds must go to a qualified 501(c) (3) charitable organization and St. Mary's Church meets this qualification.
- **Direct Transfer:** The distribution must be made payable directly to the charity. If the check is made out to you and then you later give it to charity, it doesn't count as a QCD. The key is that the money never becomes your possession.
- **Tax Reporting:** You won't get a special IRS form that screams "QCD" on it. Your IRA withdrawal will show up on a 1099-R form as a normal distribution. It's up to you or your tax preparer to report it as a non-taxable QCD on your tax return. Typically, you'd subtract the QCD amount from the total IRA distributions on the tax form and write "QCD" in the margin or a designated line. St. Mary's will send you a written acknowledgement receipt that you should retain for your records in case of an audit.

(Information used from the IRS, Charles Schwab, Fidelity and Tax Shark Inc websites)

How do I make a Qualified Charitable Distribution donation to St. Mary's?

The donor needs to fill out a form from their managing IRA company.

The IRA form will need specific information about St. Mary's Catholic Church.

- 1) Official Name:
Saint Marys Church of Bellevue
- 2) Official Address:
**811 W 23rd Ave
Bellevue, NE 68005**
- 3) Official Tax ID number:
EIN: 47-0380461
- 4) **The donor needs to specifically designate that the IRA company informs St. Mary's who the donation is from in order to get written acknowledgement for tax purposes.**

Helpful Hints:

- Please note that you have to use the official name listed as written (there is no apostrophe on Mary's).
- You need the IRA company to designate the donation with your name included (if you want a written acknowledgement for tax purposes), otherwise we don't know who it belongs to and assume that it is an anonymous donation.
- **If you would like your donation to be allocated to more than just Sunday Giving, please send me an email at mswiecicki@stmarysbellevue.com or call me at 402-291-1350 (under staff directory - I am #4 for Stewardship) with which funds you would like to give to and how much to allocate to each fund.**
- If you are currently giving by another method (ACH, WeShare, envelopes) and want to stop that method before the IRA donation is sent, please email me or call me and I will stop your donations for whenever you designate.