

Be generous and tax-smart by giving through an IRA

written by Arkansas Catholic Staff |

As the end of 2024 approaches, Kelly Wewers, diocesan development director, said it is a good time to consider ways to give to your favorite Catholic organizations.

“I want to make people aware that they can support their parish or a Catholic ministry that is close to their heart through a Qualified Charitable Distribution (QCD) from their IRA. This method of giving is simple and has potential tax-saving benefits,” she said.

What are the benefits of a QCD?

- **Tax advantages:** If you are 70 1/2 years or older, QCDs allow you to donate directly from your IRA to a qualified charity and exclude the amount donated from taxable income, unlike regular withdrawals from an IRA. The 2024 total amount allowed is \$105,000. Keeping your taxable income lower may reduce the impact of certain tax credits and deductions, including Social Security and Medicare. Also, QCDs don't require that you itemize, which, due to recent tax law changes, means you may decide to take advantage of the higher standard deduction but still use a QCD for charitable giving.
- **Fulfill Required Minimum Distribution (RMD):** If you are 72 and older, you can use a QCD to fulfill your Required Minimum Distribution from your IRA without recognizing the distribution as taxable income.
- **Ease of giving:** Contact your IRA plan administrator to initiate the QCD. Specify the amount you wish to transfer and ensure that the check is made payable directly to your parish or the Diocese of Little Rock. Be sure to notify the recipient of your gift and any specific intentions so that your generosity will be acknowledged and you will be provided with the proper tax receipt.

Contact Wewers at kwewers@dolr.org or (501) 664-0340 for assistance facilitating your gift(s). For questions specific to your tax situation, consult your tax advisor.