

STEWARDING OUR GIFTS: MAXIMIZE YOUR REQUIRED DISTRIBUTIONS



JOANN SHULL
Development Director

It wasn't until I started my Master's in Theology program that I realized how very little I know about our Faith. I suppose the more you know, the more you realize how much you don't know. In some ways, I feel similarly about the world of finances. With all of the tax laws and avenues for investing, it seems like I have to take a leap down the rabbit hole to even begin to understand my options.

Now, working with people who are interested in supporting the Newman Center, I am learning even more about some great options available to maximize giving opportunities for people of all ages and income levels. In this column, I'd like to share a bit about how to use your IRA or annuities in a way that saves you on taxes while making a charitable gift.

Did you know that you can avoid paying income taxes on distributions from your IRA if you gift that amount to a charity? The same is often true for annuities. This can be a great option for anyone 70½ and older who draws from an IRA, especially those who are required to take distributions. Gifting to a charity directly from your IRA or annuity means that you do not claim that distribution as income.

You do not need to itemize in order to save taxes via a Charitable IRA gift (called a "qualified charitable distribution," or QCD). Although the IRS has not issued specific guidance, generally making a QCD can be done by having your IRA custodian make the QCD check payable to the charity directly. Sometimes, IRA custodians mail the check directly to the donor, who then needs to send it to the charity themselves.

Most importantly, the check must be made out to the charity and not to you as the owner of the IRA or annuity. Even if you endorse the check over to a charity, it will still be considered as income and taxed accordingly.

The St. Thomas More Newman Center qualifies to receive charitable IRA and annuity gifts and we do so on a relatively frequent basis from our parishioners and supporters. If you are interested in giving to the Newman Center through this avenue, talk to your financial institution about issuing the check directly to the Newman Center. (You'll need Newman's FEIN number, which is #43-0810541. You can direct this gift toward a specific project (with the pastor's prior approval) or it can replace/supplement your Sunday offertory giving. Regardless of the intent of your gift, please make sure to communicate with Newman that your gift is coming — not all institutions will list your name on the check, making it difficult for us to thank you and credit you for your gift!

If you have questions, feel free to contact me and I will be happy to help or direct you to resources that can help. In the changing landscape of tax laws and investment options, the Newman Center hopes that we can be a resource to you to maximize your impact not only at the Newman Center, but also with other nonprofit organizations you care about.

For more information, contact the Development Office by calling 573.449.5424 x205 or by emailing joann@comonewman.org.



"Since Judy and I are in that group over 70½, we are able to take our required IRA distributions in a manner that is a win-win for us and the Newman Center. In effect, we consolidate our weekly offerings into one annual IRA distribution check that our financial institution makes out and sends to the Newman Center. We gain as we don't pay income tax on our IRA distribution (this is especially attractive if you don't itemize); the Newman Center gains as we can give more and they have less book work. As we are gone from Columbia a few months a year, we don't worry about our weekly commitments."

Charlie & Judy Nemmers
Newman Parishioners

