



*And let us not grow weary of doing good,
for in due season we will reap, if we do not give up.
— Galatians 6:9*

Rollover Your IRA for Good!

by Rob Hartmann, Stewardship Committee

As we are now in the St. John's 2023 Budget and Pledge Season, if you are 70 or older and have an IRA, please consider a unique way of giving that benefits both you and St. John's.

You probably already know that if you're over the age of 70 1/2, you must begin to spend down a percentage of your IRA each year. This is called a Required Minimum Distribution, or RMD. This distribution requirement is based on the previous year-end value of your IRA and your current age (the IRS provides a factor based on your age and life expectancy). Your IRA administrator or financial advisor can tell you exactly what your RMD is each year.

Would you like to help further St. John's mission and vision and at the same time

- pay no income tax on your gift, and
- potentially lower your tax bracket?

Due to the current tax laws, if you take the required distribution each year as income, you will likely pay more in taxes and may even reach a higher tax bracket. Rolling over your RMD as a Qualified Charitable Distribution (QCD) directly from your IRA to St. John's can help reduce your taxable income while at the same time supporting your church.

This should be appealing to anyone over 70, no matter what your income. But with recent US tax changes, this is also a good option for older couples with less than \$25,900 in itemized deductions who wish to make a charitable contribution. While this

sounds counter intuitive, under the new tax law these couples would no longer be able to give to a charity and then deduct the gift, because they would just take the new \$25,900 standard deduction instead. Now with a Qualified Charitable Distribution, they can give directly to a charity from their IRA and not recognize the income to begin with, thereby enabling them to still take the \$25,900 standard deduction.

Some advance planning is required to take advantage of this unique opportunity, so be sure to consult your tax or financial advisor for important details. For example, you cannot take your IRA distribution and then write a personal check to the church. You must instruct your IRA fund manager to write the check to St. John's in order to qualify for this charitable deduction.

Please join me and other parishioners who are already rolling over all or a portion of their IRA required distribution to St. John's. Any way you look at it, this is a good way of using your IRA required distribution for good.