

Giving after turning 70 ½ years of Age

By Catholic Community Foundation

Our gifts to Church and charitable organizations are important! What we give often determines the size of our gift.

Are you over 70 ½ years of age? Do you have an Individual Retirement Account (IRA)?

One of the very best ways to give to the Church or other charitable organizations, for those who have reached the age of 70 ½ years, is through one's IRA. This is especially true if you must take a Required Minimum Distribution (RMD).

When we give to our parish, or a Catholic charitable organization through the Catholic Community Foundation (CCF) or directly, our gifts are tax deductible. However, if we make one or more of these gifts directly from our IRA as part of our Required Minimum Distribution (RMD), we reduce our Adjusted Gross Income (AGI) by the full amount of the gift—dollar for dollar. A gift from your IRA is more tax-efficient than taking a distribution and donating separately. When you make a charitable gift to your Catholic parish, a CCF investment or Endowment Fund, or another Catholic organization, you may be eligible for a tax deduction in the year the gift is made. However, this deduction is not dollar-for-dollar—it depends on both the size of the gift and your income level. In contrast, making a gift directly from your IRA as part of your RMD reduces your AGI by the full amount of the gift. A lower AGI can result in a lower overall tax liability. To be sure such an RMD gift is made properly, contact your IRA plan administrator to advise them that you wish to make a charitable contribution of your RMD or a portion of your RMD for the year. They may very well have a form for you to complete and sign. Also, let your legal and/or tax advisor know that you are making such a gift through your IRA. This is true for both non-itemizers as well as itemizers.

Receiving your RMD and then making a charitable gift from what you receive provides only for a charitable gift tax deduction and is not as valuable to itemizers or non-itemizers even given the \$1,000 (single) and \$2,000 (married filing jointly) charitable gift deductions available beginning in 2026 tax year. RMD gifts to Catholic charitable organizations including your parish and the CCF reduce one's AGI for both itemizers and non-itemizers.

Gifts through one's RMD may be made in any given year for any amount up to \$100,000 for individuals or \$200,000 for married couples filing jointly. This is a way to make one's gift have more impact on those served by the organization receiving each gift as it allows us as donors to potentially make more funds available for such gifts.

As always, the Catholic Community Foundation does not provide legal or tax advice. For legal or tax advice, please see your personal advisor.

For more information on giving, please check out our Blog Posts at www.ccftx.org



www.ccftx.org

ccfinfo@ccftx.org

(210) 732-2153

111 Barilla Place

San Antonio, Texas 78209