

Gifts through Individual Retirement Accounts (IRA)

An IRA “Qualified Charitable Distribution” (QCD) may provide an excellent way for your donors age 70 1/2 to give to the parish and have the distribution excluded from their taxable income. A few years ago, the tax law changed, raising the required minimum distribution (RMD) age from 70 1/2 to 72. Therefore, depending on the donor’s age, the IRA distribution to the parish in 2023 may be tax-free, and may also qualify as an RMD in whole or in part for the year.

The distribution must be from the donor’s IRA, not a 401(k) or other retirement plan. To take advantage of an IRA QCD to the parish, your donors should contact their IRA custodian or administrator before requesting the distribution in order to arrange for the proper transfer of funds directly to the parish from their IRA.

Your donors should also consult with a tax advisor about planning opportunities and the correct tax reporting of the special election described above.

Sample IRA rollover instruction letter:

Dear Plan Administrator:

Please accept this letter as my request to make a direct qualified charitable distribution in the amount of \$[AMOUNT] from my Individual Retirement Account [ACCOUNT NUMBER].

This distribution should be made payable to St. John Vianney, and sent to:

54045 Schoenherr Rd.
Shelby Township, MI 48315
Tax ID #38-2269828

Wire Transfer Instructions:

Parish Bank Name: Christian Financial Credit Union
Parish Bank ABA#: 272484289
Parish Bank Account #: 956811012

In your transmittal to the parish, in order that my gift is properly credited, please include my information in connection with this transfer:

[NAME]
[ADDRESS]
[PARISH NAME], [CITY]

Please copy me on your transmittal. If you have any questions or need to contact me, I can be reached at [TELEPHONE NUMBER] or [EMAIL].

(Optional paragraph for requests occurring close to year-end, after December 1)

My intention is to have this transfer qualify for inclusion during the 2023 tax year. Therefore, it is imperative this distribution be transferred into the parish’s account no later than December 31, 2023. Thank you for your assistance with this matter.

Sincerely,

[PLAN OWNER]