



Use your Required Minimum Distributions to pay your church pledge

If you are 73 or older, you can meet your annual pledge to First UU by using a Qualified Charitable Distribution (QCD) from an IRA. This will reduce the taxes you might owe because those funds will be excluded from your Federal Taxable income. Simply tell the company that is holding your IRA you want to make a Qualified Charitable Distribution, specify the amount and have them make the check payable to “First Unitarian Universalist Church of San Diego TAX ID# 95-1713036.” They can either mail the check directly to the church or mail it to you to deliver to the church.

What advantages do QCDs have?

- Contributions that go directly from an IRA to qualified charities are not considered taxable distributions.
- With QCDs, your adjusted gross income is lower, which can potentially put you into a lower tax bracket.
- If you don't need to itemize you still get the advantage of lower adjusted gross income. (Note that if you do itemize, you can't claim this deduction again on Schedule A.)

Are there rules for QCDs?

- The money must go to a qualified charity, and First UU is a 501(c)3.
- The donation must come directly from the individual retirement account (IRA) through your trustee to the charity; you cannot withdraw the funds and make the donation directly.
- The maximum annual QCD limit is \$100,000 (\$200,000 for joint returns).
- A QCD cannot be claimed as an itemized charitable deduction on your taxes.
- QCDs must be made by December 31st each year in order to exclude the amount from taxable income.
- Charitable contributions can only be made from IRAs, not 401(k)s or similar types of retirement accounts. So you might need to roll funds over from a 401(k) to an IRA if you want to make tax-free charitable contributions part of your retirement plan.