

## How to Use Qualified Charitable Distributions

*Contribute to the church and save income tax at the same time!*

A tax break for charitable contributions:

- If you are 70 ½ years old or older, have an IRA, and pay taxes, there is an opportunity to make pledge payments directly from your IRA to St. Andrews via QCD (Qualified Charitable Distributions)
- By using QCD to make contributions to the church and other charities you can save income tax
- These contributions count toward the minimum required distributions (RMD) from your IRA
- Ordinarily RMDs show up as income on your 1040 and thus are subject to federal income tax. Contributions to the church via QCD do not show up as income on your 1040 and thus are not subject to income tax
- Even if you take the standard deduction, you can still claim a tax benefit for all donations to a charity via QCD
- This works because the money goes directly from your IRA to the church and does not pass through your hands (bank accounts)

I'm doing it for both my annual pledge and organ pledge, and have saved a bunch of income tax allowing me to increase my pledge without affecting my retirement nest egg.

Contact Rodger Piehl ([rppiehl@aol.com](mailto:rppiehl@aol.com), 734.424.0791) for more on QCD.

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