Considering a gift to the church?

Direct IRA Donations | Details and Tax Benefits

If you are age 70+, you may consider making your donation directly from your Individual Retirement Account (IRA) to take advantage of certain tax benefits.

Contributing directly from your IRA to a nonprofit—known as a **Qualified Charitable Distribution (QCD)**—is one of the most tax-efficient ways to give once you reach age 70½. Because the money goes directly to the charity, it never hits your bank account and is never reported as taxable income. This "above-the-line" exclusion offers several strategic advantages that a standard cash donation does not.

Making a Qualified Charitable Donation:

1. Satisfies Your Required Minimum Distribution (RMD)

If you are age 70+, you are generally required to take a minimum amount out of your IRA each year and pay taxes on it.

- **The Benefit**: A QCD counts toward satisfying your RMD for the year. By directing that money to a charity instead of taking it as a personal withdrawal, you avoid the spike in taxable income that typically comes with an RMD.

2. Lowers Your Adjusted Gross Income (AGI)

Standard charitable deductions are "below-the-line," meaning they reduce your taxable income only after your AGI is calculated. A QCD, however, lowers the AGI itself. A lower AGI can provide secondary "hidden" savings:

- **Medicare Premiums**: High-income surcharges (IRMAA) for Medicare Part B and Part D are based on your AGI. Keeping this number lower can help you avoid higher monthly premiums.
- **Social Security Taxation**: Lowering your AGI can reduce the percentage of your Social Security benefits that are subject to federal income tax.

3. Saves Itemizing

Since the Tax Cuts and Jobs Act of 2017, the standard deduction is quite high ($32,200 for joint filers in 2026). Most people no longer itemize their deductions.

- **The Benefit**: If you take the standard deduction, a normal cash gift to charity provides little to no tax break. A QCD provides a full tax benefit regardless of whether you itemize because the money is simply excluded from your income from the start.

4. Helps Avoid Deduction Limits

Direct charitable deductions are usually limited to a percentage of your AGI (often 60%). QCDs are not subject to these percentage limits, allowing you to donate a larger portion of your wealth tax-free.

Frequently asked questions →

Frequently Asked Questions

Is it a difficult process to make a charitable gift from my IRA?

No. Your IRA administrator should have a form for this purpose. All you need to do is fill it out with the amount to transfer. Please use our legal name and Federal Tax ID.

Legal Name: St. Charles Avenue Presbyterian Church
Address: 1545 State St., NOLA 70118
Federal Tax ID number: 72-0423638
Donor Name

I'm turning age 70 in a few months. Can I make this gift now?

No. The legislation requires you to reach age 70 ½ by the date you make the gift.

I've already named St. Charles Avenue Presbyterian Church (SCAPC) as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?

By making a gift this year of up to $111,000 from your IRA, you can see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching your philanthropy take shape.

I have several retirement accounts – some are pensions and some are IRA's. Does it matter which retirement account I use?

Yes. Direct rollovers to a qualified charity can be made only from a pension, profit sharing, 401(k) or 403(b) plan into an IRA. Make the transfer from the IRA directly to SCAPC. Note that the IRS does not allow a QCD to be made directly from an employer-sponsored retirement account that is **actively** receiving contributions.

Can my gift be used as my required minimum distribution (RMD) under the law?

Yes, absolutely. If you have not yet taken your required minimum distribution, the IRA rollover gift can satisfy your RMD requirement.

Do I need to give my entire IRA to be eligible for tax benefits?

No. You can give any amount under this provision if it is $111,000 or less this year. If your IRA is valued at more than $111,000, you can transfer a portion of it to fund a charitable gift.

I have two charities I want to support. Can I give $111,000 from my IRA to each?

No. Under the law, you can give a maximum of $111,000. For example, you can give each organization $55,500 this year or any other combination that totals $111,000 or less. Any amount of more than $111,000 in one year must be reported as taxable income.

My spouse and I would like to give more than $111,000. How can we do that?

If you have a spouse who is 70 ½ or older and has an IRA, he or she can also give up to $111,000 from his or her IRA.

This information is not intended as legal or tax advice.
Always consult an attorney or tax advisor before making changes to your estate plan.
References to tax rates include federal taxes only and are subject to change. State law may further impact your individual results.