



GIVING FROM *Your IRA* MAY SAVE YOU MONEY!

If you have an Individual Retirement Account (IRA) and are age seventy (or getting close), you should know about a way you can give to your local church that will strengthen the church's ministry and produce tax savings for you!

1. Individual Retirement Accounts Have Come of Age (Middle-Age).

IRAs have been around since 1974, though in the beginning, they were only for folks who didn't have any other pension coverage. A bill in 1981 made all workers and their spouses eligible for these accounts. That's a solid forty-plus years that people have been putting money away without having to pay federal taxes on it. (That part is important.)

2. You Can't Take It With You or Leave Your Money There Forever.

The understanding was that folks could access that money without a penalty as early as when they turned fifty-nine and a half, but when they reached seventy and a half, they were required to start taking at least a minimum amount out each year—**“required minimum distributions” or RMDs**. Over time, the age at which IRA owners must take RMDs has increased to 75. Since participants didn't pay tax on the money when they put it in their IRAs, they are required to pay tax on it when money comes out. **RMDs can push some people into a higher tax bracket**. But there are things IRA owners can do to avoid this situation.

3. Give It to the Church; Avoid Paying the Taxes.

In 2006, pension protection legislation allowed for tax-free use of RMDs for charitable contributions, saving the tax that people would have had to pay when they took this money out of their IRA accounts. These are called **“qualified charitable distributions” or QCDs**. Here's an important distinction: these are NOT tax deductions. They do not provide a charitable deduction regardless of whether you itemize deductions. The tax benefit

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is the ability to exclude the donated distribution from taxable income! Here's an example. Let's say you're in the 12% tax bracket, and give \$500 per month to your church. New 2026 tax rules let non-itemizers deduct a small amount of cash giving, but giving that \$6,000 as a QCD instead can avoid as much as \$720 in federal taxes, more than you'd save otherwise. If you're in the 22% bracket, that same \$6,000 gift could avoid as much as \$1,320 in tax!

4. From IRA to “My UMC”—Never In My Pocket!

With a qualified charitable distribution (QCD), a check goes directly from your IRA to your church or the charity you select. Many people who are facing RMDs that will have tax implications could pay all their annual tithe or offering at one time through their QCD and never have to show it as income. Consider making the gift in January so that your church has access to those funds throughout the year.

5. You Don't Have to Wait Until 75 to Do the QCD!

While Congress raised the age for RMDs to seventy-five, QCDs are allowed for anyone who has reached the age of seventy and a half. Retirees who are over that age and want to continue supporting their local church would be wise to consider a qualified charitable distribution.

6. QCDs Can Be Strategic for Non-Itemizers.

The Tax Cuts and Jobs Act that went into effect in 2019 (and was renewed in 2025) included an increase in the standard deduction—it nearly doubled. That standard deduction is the threshold that your itemized deductions have to exceed to make itemizing worthwhile. While 2026 changes provide a potential \$1000 charitable deduction for those who don't itemize, qualifying IRA holders who claim the standard deduction could dramatically reduce or even eliminate the tax on their RMDs by using a qualified charitable distribution. It's good for the retiree and good for the church, because your gifts help make ministry possible!

We encourage everyone to discuss this with a financial planner, tax consultant, or attorney—and be sure to let your family know about the benefits of QCDs! It could be a savings for you and a blessing to your local church!

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