

IRA- A Giving Way!

Turning 70 isn't all that bad. You barely look a month older than when you were 69½.

Of course, if you are fortunate enough to have an IRA, your tax bill is going to go up. Ouch! You have to start taking the dreaded Required Minimum Distribution (RMD), a certain percentage of your IRA. All those years, the IRA grew tax-free but now you have to pay Uncle Sam and it's taxed as regular income. Double ouch!

Here's the good part: Once you turn 70½, you can use that RMD to pay your church pledge or donate to a charity and you do not have to count the donations as income. That's right: you do not have to pay income taxes on those donations. Excellent!

IMPORTANT: you cannot just write a check from your IRA and mail it to the church or charity. You have donate via a QCD (Qualified Charitable Deduction). Tell the investment company managing your IRA that you want to make a QCD donation to, oh, say, Grace Covenant Presbyterian Church. The investment company writes a check made out to the church and mails it to you for delivery or directly to the church at 789 Merrimon Ave, Asheville, NC 28804. If sending direct, please make sure they note your name as the donor in the memo line. You do not have to pay income taxes on those QCD donations. (Note: If you use a QCD, you can't also claim the donation on "Schedule A, Itemized Deductions".)

I know. "I like paying taxes. With them, I buy civilization." But you have more control over where your money goes if you make donations to the causes you value most. Grace Covenant Presbyterian Church supports a variety of faith-based and social justice organizations and empowers us to make those issues part of our personal missions. "How can we keep from sharing?"