VILLAGE
CHURCH

How to Give Individual Retirement Accounts Contributions

If you are age 72 or older, IRS rules require you to take required minimum distributions (RMDs) each year from your tax-deferred retirement accounts.

A qualified charitable distribution (QCD) is a direct transfer of funds from your IRA, payable directly to Village. Amounts distributed as a QCD can be counted toward satisfying your RMD for the year.

- You must be at least 70½ years old at the time you request a QCD, otherwise the distribution will be treated as taxable income.
- A QCD can be made after age 70½ even if you're not subject to RMDs yet (because you're under age 72).
- Annual QCD limit is up to $100,000 per individual.
- Distribution must be made directly to Village.
- The distribution, if properly made, will not be included as taxable income

Remember that, since you are not receiving the distribution as income, the contribution from your IRA is not a tax deductible gift.

Always talk to your tax advisor about your specific situation. If you'd like to give in this way, contact Patty Deiser (patty@villagebeaverton.com).

How to Give Stocks and Securities

Individuals are able to donate appreciated assets (stocks, bonds, mutual funds) to Village. Why would gifting assets out of a non-retirement (taxable) account be better than giving by cash or check?

- You can possibly give more. By donating an asset that has appreciated for more than a year, you're potentially giving up to 20% more than if you sold it and then made a donation. The reason is simple: avoiding capital gains taxes. If the asset has a capital gain and is long term in nature (held more than 1 year) and you itemize your tax deductions, you may be able to deduct the Fair Market Value the day you give the asset.

- You will avoid having to pay the capital gains tax on the increased value while it was held.

  - If the gain on the asset is short term in nature (held less than 1 year) and you itemize your tax deductions, you may be able to deduct your original cost basis on your tax return.

  - If the asset has a capital loss, it's probably better to sell the stock first and give the cash. If you itemize your tax deductions, you'll still be able to deduct the gift and you'll be able to take a capital loss on your tax return.

- One rule to remember: the deduction is limited to 30% of your adjusted gross income (AGI).

- Always talk to your tax advisor about your specific situation. If you'd like to give in this way, contact Patty Deiser (patty@villagebeaverton.com).

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