

Reducing RMDs With QCDs - 2025

A qualified charitable distribution (QCD) can be a terrific way to reduce required minimum distributions (RMDs) and optimize the tax benefits of giving.

What are the tax advantages of a QCD?

QCDs allow individuals age 70½ and older to make tax-free donations directly from an IRA to a qualified charity, potentially satisfying all or part of their annual RMDs.

There are numerous advantages to using an IRA to fund charitable gifts during the account owner's lifetime, including the potential to lower the owner's income tax liability, preserve post-tax assets for beneficiaries, and experience the impact of their charitable contributions firsthand. A QCD is a wonderful opportunity for IRA account owners, as it allows individuals over the age of 70½ to gift directly from their IRA to a qualified charity, regardless of whether the individual has reached their required minimum distributions ("RMD") age. The QCD is excluded from the individual's taxable income, and reduces the IRA's balance, thereby lowering future RMDs (and income tax liability from those RMDs). The income exclusion that a QCD provides can be more beneficial than taking a deduction because: (1) it can help avoid a higher income tax bracket (and other income-based taxes), and (2) with the higher standard deduction, fewer individuals itemize their deductions.

For retirees who've accumulated significant savings in their tax-deferred accounts, the onset of RMDs at age 73 can have serious tax consequences. That's because the higher the balance in your tax-deferred accounts, the higher your RMDs and potentially your tax bracket. For those that have reached their RMD age, a QCD can satisfy all or part of the annual RMD requirement, thereby reducing, or even eliminating, the income tax ordinarily incurred by RMDs. Reducing the IRA balance during lifetime via QCDs may also help reduce estate tax exposure upon the death of the owner.

What are the QCD limits?

For tax year 2025, you can donate up to \$108,000 (indexed annually), and you can also use up to \$54,000 of a QCD to make a one-time donation to a charitable remainder trust or charitable gift annuity. For married couples, you can each donate up to your individual annual limit.

What's the bottom line on QCDs and taxes?

If you are already supporting Holy Family or have only recently decided to support our community, a QCD can be a great way to optimize the tax benefits of your giving and make it easier to increase your supportive impact. Your financial advisor and/or tax professional can help make sure your giving strategy aligns with your retirement goals as well as any changes to tax rules. You can take a read through the 2024 IRS guidance on the reverse side which explains things in more detail. We'd also be glad to help answer your questions.

Feel free to reach out to Rich Lang (Holy Family EITC Coordinator) at rclang@deloitteired.com if you wish further insight regarding this opportunity.

THANK YOU for your generous consideration!

[Here's how you know](#)



Give more, tax-free: Eligible IRA owners can donate up to \$105,000 to charity in 2024

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WASHINGTON — The Internal Revenue Service reminds individual retirement arrangement (IRA) owners age 70½ and older that they can make up to \$105,000 in tax-free charitable donations during 2024 through qualified charitable distributions. That's up from \$100,000 in past years.

For those age 73 or older, qualified charitable distributions (QCDs) also count toward the year's required minimum distribution (RMD).

Generally, IRA distributions are taxable, but QCDs remain tax-free if sent directly to a qualified charity by the trustee. To make a QCD for 2024, IRA owners should contact their IRA trustee soon to ensure the transaction completes by year-end.

Each eligible IRA owner can exclude up to \$105,000 in QCDs from taxable income. Married couples, if both meet qualifications and have separate IRAs, can donate up to \$210,000 combined. QCDs don't require itemizing deductions.

For those planning ahead, starting this year, the QCD limit is subject to annual adjustment, based on inflation. For that reason, the annual QCD limit will rise to \$108,000 in 2025.

Reporting and documenting QCDs

For 2024, QCDs should be reported on the 2024 tax return. IRA trustees will issue Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc., in early 2025 documenting IRA distributions.

The full amount of any IRA distribution goes on Line 4a of Form 1040, U.S. Individual Income Tax Return, or Form 1040-SR, U.S. Tax Return for Seniors. Enter "0" on Line 4b if the full amount is a QCD, marking it as such.

Donors must obtain a written acknowledgement from the charity showing the contribution date, amount and confirmation that no goods or services were received.

For more details, see Publication 526, Charitable Contributions, and Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs).

⚠ News items may not be updated after their release. Please verify the date before relying on the language.



Discovering **hope** and **joy** in the Catholic faith.

December 2025

Holy Family Church

A community empowered through the Holy Spirit to promote the Kingdom of God

One Minute Meditations

St. Lucy

St. Lucy was born into 4th century pagan Syracuse, Sicily, and is one of the most famous martyrs of the early Church. Her family arranged for her to marry a pagan, but since she had consecrated her virginity to Christ, St. Lucy refused him. Offended, he betrayed her to the authorities for her Faith. She was questioned and tortured, but all attempts to discourage her failed. She was finally executed. She is the patron saint against eye problems.

The three comings of Christ

This season of Advent, we celebrate the three comings of Christ: in glory at the end of time, in time when He was born in Bethlehem, and His coming in our own lives and hearts. Advent is a time of "busy stillness," of preparing and waiting, like Mary certainly did, for the arrival of the Savior. This Christmas, let's renew our "Yes" to God's request to dwell in our hearts and be "born" in the daily living of our lives.

"The King comes as a helpless infant, born of insignificant parents in a small town of a distant outpost of the Roman Empire. He will conquer through the finally irresistible power of love, the same power with which he made the universe." Most Reverend Robert E. Barron

Find peace before Christmas by slowing down

The busyness leading up to Christmas can be exhausting, but the Advent season is the perfect time to breathe, reset, and prepare our hearts for the coming of the King. Advent is a built-in gift, a chance to slow the pace and lift our eyes to what matters most.

Renew a sense of the holy: Advent is a chance to wake up the soul. When we lean into our Faith with intention, the season stops feeling rushed and starts feeling radiant. Light the Advent Wreath and let its glow steady your heart. Go to Confession and feel the weight lift as mercy takes over. Spend a few quiet minutes before Jesus in the Blessed Sacrament and let His presence ground you. Pray the Joyful Mysteries, the "Christmas mysteries" that still speak powerfully to our lives today.

Tune out the noise: Advent becomes richer when we clear space for God to speak. The world buzzes with distractions, but your soul needs room to breathe. Build small pockets of

silence into your day and let stillness sharpen your awareness of God's presence. Reach for a spiritual book instead of a scroll through your feed. Cut back on the constant stream of news that crowds the mind. When the noise quiets, the Holy Spirit has space

"Behold, a virgin will be with child and bear a son, and she will call His name Immanuel" (Isaiah 7:14).

to guide, steady, and renew you.

Streamline and prioritize: Choose what draws you closer to Christ. When your heart is ordered toward what matters, even the cooking, decorating, singing, and gift-giving gain a deeper beauty. You may decide to attend fewer events, keep the décor simple, or choose more modest gifts. Far from taking away joy, this clears space for it. You move through the season with more peace, more purpose, and a heart in step with Jesus.

Why Do Catholics Do That?

Every Christmas, we remember that Jesus, the Son of God, took on our humanity without losing His divinity. It is a mystery, yet we hold it with confidence because God, who is Truth, has revealed it.

During His earthly life, Jesus spoke and acted with divine authority. He

Why do Catholics believe Jesus is God?

said, *"The Father and I are one"* (John 10:30). He forgave sins, clarified the Law, and worked miracles. His Resurrection stands as the clearest confirmation of His identity, showing that His claim to be God was real. As man, He could suffer and die. As God, He rose and conquered death.

The most meaningful gifts of Christmas aren't wrapped

We know that the most valuable gifts are often the ones we cannot wrap. Alongside whatever you give your loved ones this year, do not let Christmas pass without offering these gifts as well:

Your time: Being present with the people we love is one of the simplest and strongest ways to show care. A short visit, an unhurried coffee, or an evening without phones can mean more than any item we put under a tree. When we give someone our attention, we affirm their worth.

Your forgiveness: Forgiveness does not excuse the hurt. It frees you from the weight of anger and resentment. It

also gives the other person room to grow and seek healing. Letting go is often the first step toward real peace. In many ways, forgiveness is a gift you give yourself.

Your gratitude: Giving thanks to God at Christmas is more than a warm sentiment. It is a heartfelt response to the depth of His love.

Look at the Crucifix, the Nativity, or the Eucharist and consider the humility behind such a gift. Our gratitude matters to God (see Luke 17:17-18). So after attending Mass on Christmas Day, take a moment to say, "Thank you." It is a small act that carries real meaning.

from Scripture

Matthew 2:13-15, 19-23, Obedience is trust in action

By the time Mary gave birth to Jesus, Saint Joseph had already formed a habit of steady obedience to God. So when the angel spoke to him in a dream and instructed him to flee to Egypt, Joseph acted without delay. He trusted that God would care for him and for the family entrusted to him.

This trust is even more striking when we consider the circumstances of Jesus' birth. Mary and Joseph had traveled from Nazareth to Bethlehem during the final stages of her pregnancy. Whether by foot or by donkey, the trip would have been long, uncomfortable, and

exhausting. When they finally arrived, they found no suitable place to stay and settled among animals. Soon after, they faced the threat against Jesus' life and fled to Egypt, living for years in a foreign land without the support of relatives or friends. Through every hardship, Joseph relied on God to protect his family.

The Holy Family was perfect in love, yet not spared from difficulty. Mary and Joseph met each challenge with faith and allowed God's Word to guide them. We can follow the same path.

Q & A

Why is it said that Mass brings us closer to God than anything else?

At every Mass, Jesus is really and truly present in the Eucharist in His Body, Blood, Soul, and Divinity (*Catechism of the Catholic Church*, 1374). In this moment, the Sacrifice of Christ is made present to us in a mysterious but real way. His self-giving is the greatest act of love, and our participation at Mass is our strongest response, our way of saying, "I love you, too."

Worshipping together also strengthens our faith in the God who is everywhere yet unseen. Faith grows in community. It grows through the physical actions of the Mass as well. When we sit, stand, bow, and kneel, we express with our bodies what we believe in our hearts.

Finally, the Real Presence of Jesus on the altar draws us into a closeness to God that we cannot find anywhere else in this life. Nowhere do we meet Him more directly than when He feeds us with His very life. In the Eucharist, He is as present to us as He was to Mary and Joseph in Bethlehem and to His apostles in the Upper Room.

Feasts & Celebrations

December 6 – St. Nicholas of Myra (4th century). St. Nicholas had a very generous heart and always gave to the poor. He is credited with saving three girls from being sold to pay their father's debt. St. Nicholas is also the patron saint of children.

December 8 – Immaculate Conception of the Blessed Virgin Mary. We commemorate that Mary was conceived in St. Anne's womb without original sin, preparing Mary to be the Mother of God. Though given to Mary, this special grace was for our sake. Pope Pius IX declared this doctrine in 1854. This year, it's considered a holy day of obligation.

December 9 – St. Juan Diego (1548). St. Juan Diego was visited by Our Lady at Tepeyac Hill, Mexico. She requested a chapel be built and sent him with roses to the bishop as a sign. When St. Juan emptied the roses before the bishop, his cloak retained the image of the Blessed Mother.

December 29 – St. Thomas Becket (1170). Thomas enjoyed power and riches as a close friend of England's King Henry II, who appointed him chancellor of England. In 1162, King Henry had St. Thomas named Archbishop of Canterbury. St. Thomas refused to allow the King to regulate Church matters and was exiled. He fled to France for safety. Thomas returned to England and was martyred.

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