

Consider supporting your parish through an IRA Qualified Charitable Distribution

IRS tax rules allow people over age 70½ to make a donation to a church or other charitable organization from an Individual Retirement Account (IRA) without the amount of the gift being added to their adjusted gross income. This is referred to as a Qualified Charitable Distribution (QCD). While IRA Required Minimum Distributions (RMD) now are required beginning at age 73, the age for QCD eligibility remains 70½, allowing tax-free donations earlier, in 2026 up to \$111,000 per taxpayer. A number of parishioners over age 70½ have taken advantage of this means of supporting their parish.



Because tax law changes some years ago dramatically increased the standard deduction, fewer people now qualify for the tax-planning benefit of itemizing deductions. Meanwhile, the revised tax laws also limit some itemized deductions, potentially making it more difficult to reach that threshold and receive an income tax benefit from charitable donations. Deductions that may be eliminated or limited in some circumstances include property, sales, and state income tax, and interest on home-equity loans and larger home loans.

But a tax-free transfer from an IRA lets you benefit from making a gift to a charitable organization even without itemizing. This way you can take the standard deduction, but your charitable gift isn't included in your adjusted gross income and taxed. Keeping some or all of your RMD out of your adjusted gross income may also help keep your income below the threshold for being subject to Medicare taxes, and may hold down the percentage of your social security benefits that are subject to taxation.

An important thing to keep in mind is that a transfer from your IRA must go straight to your parish or to another charitable organization in order to qualify for this tax advantage – it cannot go to you and then come to the charitable organization via personal check from you.

*Note: beginning in 2026, taxpayers who take the standard deduction can claim a deduction for charitable contributions. This provision allows non-itemizers to deduct up to \$1,000 for single filers (up to \$2,000 for married couples filing jointly) from their 2026 income. This approach may also be valuable for some parishioners.

With questions or for more information, you may contact Bill Noel in the Parish Office at 920-468-7848 or the Catholic Foundation for the Diocese of Green Bay at 920-272-8181.

This guidance is only for your information and is not necessarily applicable to your specific situation. You should consult with your legal, tax and financial advisors before proceeding.