RCDA | OFFICE *of* STEWARDSHIP & DEVELOPMENT

Charitable Gifts from an IRA

** Information provided by Merrill, a Bank of America Company **

If you're age 70½ or older, you can donate to a qualified charity directly from a traditional IRA — or in limited circumstances, a Roth IRA, SIMPLE IRA or SEP IRA — without being subject to federal income tax on that distribution. The maximum amount you can donate — as much as $111,000 in 2026 — is indexed each year for inflation.

"If you're age 73 or older and required to take required minimum distributions (RMDs), donating money directly from your IRA to a qualified charity can count toward your annual RMD and is generally not included in your taxable income," says Kevin O'Neil, managing director, Investment Solutions Group, Merrill. If 73 or over, qualified charitable distributions (QCDs) can count toward the IRA owner's RMDs, as long as certain conditions are met. Note that if age 70½ or over, you may make a QCD annually, which is indexed for inflation. The maximum QCD in 2026 is $111,000.

Tip: If you're age 70½ or over, you can take a one-time tax-free distribution from an IRA to fund charitable gift annuities, charitable remainder unitrusts and charitable remainder annuity trusts, subject to certain limitations. The maximum distribution is $55,000 in 2026.

When you give to a loved one or a charitable organization, it's important to carefully consider the recipient and the amount you choose to give. Consult with a tax advisor as you consider your options to maximize the benefit to the beneficiary and yourself.

IMPORTANT:

- Funds must be transferred directly from your IRA custodian to the qualified charity. This is accomplished by requesting your IRA custodian issue a check from your IRA **payable to the charity, in this case** ***Diocesan Appeal, your parish, your Catholic school, etc***. You can then request that the check be mailed to the charity or forward the check to the charity yourself. Note: If a distribution check is made *payable to you*, the distribution would NOT qualify as a QCD and would be treated as taxable income.
- **Notify the Stewardship office of the Diocese, your parish, or Catholic school about the gift, its designation and the name of the donor.
- ***Use our SMART GIVING TOOL to process your QCD gift which also notifies the charity of the gift, its designation and your donor information. It can be found at www.TheDiocesanAppeal.org/donate - your gift can be designated to something other than the Diocesan Appeal; this is just the site for the tool.***

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