

Lunch and Learn

Tax Benefits of Making Charitable Gifts
Directly from your IRA



CENTRAL COMMUNITY CHURCH FOUNDATION

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*“May He give you the power to
accomplish all the good things your
faith prompts you to do.”*

~2 Thess. 1:11

Overview of the Foundation

When was the Foundation started?



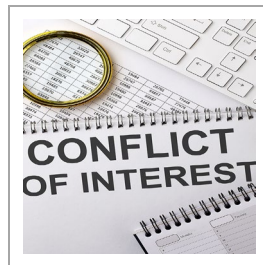
Established in 1975, the Central Community Church Foundation has supported the ministry needs of Central Community Church for 47 years.

Does the Foundation support other charities besides Central?



No. The mission and purpose of the Foundation is solely to support the needs of Central Community Church and no other charities, businesses or individuals.

Doesn't this conflict with giving tithes?



No. The Foundation provides education for regular tithing and giving for the church budget and expenses for church operations. Our goal is to establish a significant endowment that will generate income year after year to be used to support the various church ministries and projects. This is done through what is known as “planned giving.”

Charitable Giving

Introduction

Today we are going to have a lunch and learn about making charitable gifts directly from a traditional IRA. We want to show you how charitable giving can also reduce income tax when you have a desire to make a charitable gift and have a need to make a required minimum distribution from your traditional IRA.

“You can direct that amount to the Central Community Church Foundation with no federal income tax liability.”

Planning your Required Minimum Distribution

As you plan your minimum required distributions for this year, if you do not need the money the government is requiring you to take out, consider using it for a charitable gift to support the Central Community Church Foundation. You can direct that amount to the Central Community Church Foundation with no federal income tax liability.

In 2006 Congress made a change to the tax law that allows individuals aged 70½ and over to make charitable gifts directly from a traditional IRA account without incurring federal income tax on the withdrawal, while still counting the amount transferred toward their Required Minimum Distributions (RMDs).

Many people have not heard about this option for making charitable gifts because it used to be a pretty inconvenient provision, expiring every two years until Congress repeatedly and sometimes belatedly renewed it. It now has no provision to terminate.

The Protecting Americans from Tax Hikes Act of 2015 changed all that making this provision a permanent part of the tax code (to the extent anything is permanent with Congress). The IRA Charitable Rollover provides you with an excellent opportunity to make gifts during your lifetime from an asset that might be subject to multiple levels of taxation if it remained in your taxable estate. Although the SECURE Act moved the Required Beginning Date (RBD) for mandatory distributions from an IRA to age 73 effective Jan. 1, 2023, this does not affect the Qualified Charitable Deduction (QCD).

In essence, to make Qualified Charitable Deductions from your IRA, this can be done once you are 70½ even though you do not have to begin required minimum distributions until you are age 73.

To Qualify

- You must be age 70½ or older at the time of gifting.
- Transfers must be made directly from a traditional IRA account by your IRA administrator to the CENTRAL COMMUNITY CHURCH FOUNDATION. Funds that are withdrawn by you and then contributed do NOT qualify. Gifts from 401k, 403b, SEP and other plans do not qualify. Traditional IRA's are what work best for this type of charitable giving.
- Gifts must be outright. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities do not qualify.

Qualified Charitable Distributions

- Can total up to \$100,000 per year
- Are not included in your gross income as reported on IRS Form 1040
- Don't give you a charitable deduction since the tax break comes from excluding the distribution from income.

Example

Example: Suppose John wants to contribute \$20,000 to the Central Community Church Foundation. He has \$500,000 in an IRA. Because of his age and the age of his spouse, he is required to take a minimum distribution of \$25,000. He doesn't need that much cash and hates the idea of paying tax on it. Rather than withdraw the \$25,000 and pay taxes on the full amount, he can authorize the administrator of his IRA to transfer \$20,000 to the Central Community Church Foundation and \$5,000 to himself. The \$20,000 will count toward his minimum distribution but will not be subject to federal tax.

Using the IRA Charitable Rollover is a simple, meaningful and tax-efficient way to support the Central Community Church Foundation.

The distribution cannot be made by you without involving your financial advisor or the administrator of your IRA. The distribution must be made to Central Community Church Foundation by the administrator of the IRA and they must be directed to do so. This is not, however, hard to do.

IRA administrators don't always include the donors' names on distribution checks. If you're planning to make a distribution to the Central Community Church Foundation from your IRA, please let us know in advance so we'll be able to identify your gift. Also let us know if you want your gift used for a particular purpose.

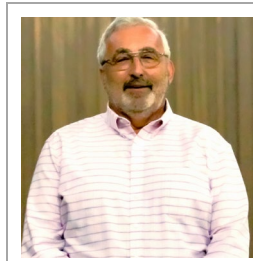
Our Support Team

Tim Larson



Tim and wife (of 47 years) Elaine have been members since 2017. Tim's served on the Riverside Hospital Foundation and on the Kansas State Foundation and worked with the El Dorado Correctional facility with Kairos Prison Ministry.

Marv Fisher



Marv is married to Vicky and is active with his small group and with Fellowship of Christian Athletes. Marv has been a certified financial planner for 13 years.

Kurt Holmes



Kurt has been a member for decades at Central. During that time he's served on the council, multiple ministries and small groups. Kurt currently runs his own law firm for real estate matters.

Who We Are

The Central Community Church Foundation exists for the purpose of educating the church of simple, flexible and rewarding ways to give offerings of planned giving, wise investing and accumulated resources supporting Central Community ministries with future facilities, infrastructure and tools to reach the lost and disciple men, women, boys and girls until Christ returns.

Contact Us

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