

FOR THOSE WHO ARE AT LEAST 70 1/2 YEARS OLD

If you are under 70 1/2 years old, consider passing this information on to members of your family who are over 70 1/2.

Good stewardship brings great joy. Here is a money saving idea that can lead to greater generosity and even greater joy.

Federal tax law now provides an annual tax-saving opportunity for St. Olaf Church members who have an IRA or other qualified retirement plan and are 70 1/2 years or older. These seniors can donate their otherwise taxable Required Minimum Distributions (RMDs) as tax-free gifts to St. Olaf Church. Depending on your tax situation, this opportunity may save you more tax than by making traditional charitable gifts.

You can direct your IRA trustee to make that distribution (up to \$100,000 annually) directly to St. Olaf Church. You avoid paying taxes on the distribution and it counts toward your RMD for that year.

The Tax Cut & Jobs Act makes this strategy particularly attractive because the standard deduction was increased significantly beginning in 2018. This means that some members who itemized their deductions in previous years will begin utilizing the standard deduction. If an individual contributes all or a portion of his / her RMD to St. Olaf Church, that portion of the RMD is not taxable. Individuals utilizing this strategy may see their taxable income go down.

Some St. Olaf members, including Rog & Lyn Johnson, are directing their RMDs to St. Olaf's as part of their yearly financial support. Whether or not it is available to you depends on your individual tax situation. The procedure is simple, BUT BEFORE MAKING ANY DECISIONS, SEEK SPECIFIC ADVICE FROM YOUR FINANCIAL, TAX, OR LEGAL ADVISOR TO DETERMINE IF THIS WAY OF DONATING TO ST. OLAF'S BENEFITS YOU.

This is for general information and is not intended as tax advice.