

Dear Friends of St. Anthony Catholic School,

August 2019

Re: IRA Forced Distribution – Tax Savings Contribution to our Capital Campaign Building Fund.

I would like to alert you to a tax savings option you may not be aware of. For those of you with Individual Retirement Accounts (IRA), you are required to begin taking annual distributions after age 70 ½. These distributions are taxable as ordinary income. There is a provision in the tax code that allows you to direct up to \$100,000 per taxpayer directly to a qualifying charity, such as St. Anthony Catholic School, and reduce your taxable income by the amount of that contribution. This provision is even more valuable with the increase in standard deductions meaning that fewer taxpayers will be able to itemize their deductions. For example, if you are in the 25% tax bracket and direct \$5,000 of your annual RMD to a charity it will reduce your federal tax liability by \$1,250.

Funds must be transferred directly from your IRA to an eligible charity by the IRA trustee in order to qualify for the tax break. If you withdraw the money from your IRA and later donate it, it won't qualify as a tax-free qualified charitable distribution. You have to make the distribution check payable to the charity directly. In addition, it must be from an IRA – 401(k) or other retirement distributions do not qualify. You are not being taxed on this money so cannot additionally claim a charitable contribution tax deduction on this distribution.

For your convenience, I have enclosed a form you can complete and send to your IRA custodian requesting your direct charitable distribution (following page).

If you have more questions on this, I would advise you to contact your tax professional for specific advice.

Regards,

Jerry Moran
Development Director - St. Anthony School
jerry@stantschool.org
(928)537-4497

IRA Company Name and Address

(Date)

RE: Request for charitable distribution from my Individual Retirement Account for the 2019 Tax Year

Dear IRA Custodian:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account, Account # _____ as authorized by Section 408(d)(8) of the Internal Revenue Code and the Protecting Americans from Tax Hikes Act of 2015.

Please issue a check in the amount of \$ _____ payable to the following charitable organization at the following address:

St. Anthony Catholic School
P.O. Box 789
Show Low, AZ 85902

In your transmittal to the above-named organization, please communicate my name and address as the donor of record in connection with this transfer. Also, please indicate that the purpose of the gift is: Building Fund Campaign

Please copy me on your transmittal.

It is my intention to have this transfer be a Qualified Charitable Distribution (QCD) that will qualify for exclusion from my taxable income during the **2019 tax year**. This QCD will fulfill part or all of my Required Minimum Distribution for this year. Therefore, it is imperative this distribution be postmarked no later than **December 31, 2019**.

If you have any questions or need to contact me, I can be reached at _____ . Thank you for your assistance and prompt attention to this matter.

Sincerely,

Signature

Home Address

Print Name

, Plan Owner

City, State, Zip Code