

TAX FREE IRA GIFTS TO THE PARISH

For the 2011 tax year, Parishioners can exclude up to \$100,000 from their federal income when they make a qualified charitable distribution directly from their IRA. Couples having separate IRAs can exclude up to \$200,000.

To qualify excluding this distribution as income from the individual's federal income tax there are three conditions as follows:

1. Individual must have reached the age of 70 ½ on the date of the distribution to the charity.
2. Distribution (Gift) must be made on or before December 31, 2011.
3. Distribution (Gift) must be directly transferred from the IRA to the charity.

BENEFITS OF MAKING IRA GIFTS-TO THE PARISH AND PARISHIONER

Parishioner makes a tax free gift to the Parish of \$1000 pays no tax on the gift and the Parish receives \$1000.00

Parishioner takes a taxable IRA distribution of	\$1000.00
Assumed Individual's tax bracket is 15% and pays tax of	150.00
Parishioner receives after taxes	\$ 850.00

Parishioner donates to the Parish	\$ 850.00
Assumed Individual receives a 15% tax credit for donation	\$ 128.00

By making IRA/Gifts the Parish receives \$150.00 more than if the Parishioner made a taxable IRA gift to the Parish. Also, the Parishioner in this example would have paid \$22 in additional federal income taxes, \$150 paid on the IRA income less the \$128 tax credit on the \$850 donation to the Parish. The higher the Parishioner's tax rate the greater the tax savings.

Parishioners wishing to make "IRA Gifts" to the parish should contact their IRA Administrator and request that their gift/check be made payable to the Church of the Little Flower and sent to:

Rev. Andrew M. Prachar Pastor
Church of the Little Flower
110 Roosevelt Avenue
Berkeley Heights NJ 07922