MADERA CHURCH

Giving From Retirement Accounts and Appreciated Assets

A Guide to Thoughtful Generosity for Friends of Madera Church

Generosity is at the heart of a life of faith, and there are more ways to give than writing a check. For many in our church family, much of what God has entrusted to them is held in retirement accounts, investments, real estate, or other property rather than cash. Giving from these assets can allow you to make a larger gift, often at a lower cost to you, while supporting the ministry of Madera Church.

This guide explains six giving strategies in plain language: **Qualified Charitable Distributions**, **donor-advised funds**, **gifts through your estate plan**, **appreciated stocks and investments**, **real estate**, and **vehicles**. It is for general information only and is not tax, legal, or financial advice. Tax rules change and every situation is different, so please speak with your advisors before making a gift.

> ### What's New for 2026
> New federal tax rules took effect this year. If you take the standard deduction, you may now deduct up to $1,000 ($2,000 for married couples filing jointly) of cash gifts to qualified charities. If you itemize, only charitable gifts above 0.5% of your adjusted gross income (AGI) are deductible, and the tax benefit is capped at 35% for those in the top bracket. These changes make several strategies below, especially QCDs, gifts of appreciated assets, and "bunching" gifts, even more worth considering.

1 Qualified Charitable Distributions (QCDs) From an IRA

If you are 70½ or older, a QCD lets you give directly from your IRA to Madera Church. For many retirees, it is the single most tax-efficient way to give.

- **Tax-free to you.** The gift is excluded from your taxable income, so you benefit even if you take the standard deduction, and the new 2026 limits on itemized deductions do not apply. Lower income may also reduce the tax on your Social Security benefits and help keep Medicare premiums down.
- **Counts toward your RMD.** A QCD can satisfy part or all of your required minimum distribution. If that is your goal, arrange the QCD early in the year, before taking other withdrawals.
- **Generous limits.** Up to $111,000 per person in 2026, adjusted annually for inflation. Each spouse may give from his or her own IRA.
- **Eligible accounts.** Traditional and inherited IRAs, plus SEP and SIMPLE IRAs no longer receiving employer contributions. QCDs cannot be made directly from a 401(k), 403(b), or 457(b); talk with your advisor before rolling funds into an IRA for this purpose.
- **Rules to follow.** Funds must go directly from your IRA custodian to the church, not to you first. A QCD cannot go to a donor-advised fund, and the gift cannot also be claimed as a charitable deduction.

Next step: Ask your IRA custodian for a QCD payable to Madera Church, let the church know it is coming, and tell your tax preparer so it is reported correctly on your return.

2 Donor-Advised Funds (DAFs)

A donor-advised fund works like a charitable savings account. You contribute cash, stock, or other assets to a fund held by a sponsoring organization (such as Fidelity Charitable, Schwab Charitable, or a community foundation), receive any tax deduction in the year you contribute, and then recommend grants to Madera Church and other charities over time. A DAF can be especially helpful for those not yet old enough for QCDs.

- **Ideal for "bunching."** Contributing several years' worth of giving in a single year can help you exceed the standard deduction and the new 0.5% floor, while your support of the church continues steadily from the fund.
- **Pairs well with appreciated stock.** Donating investments to a DAF avoids capital gains tax and simplifies your records to a single receipt.
- **Keep in mind.** Contributions are irrevocable and sponsors charge administrative fees. Gifts to a DAF do not qualify for the new non-itemizer deduction, and grants cannot provide any personal benefit to you.

Next step: Request grants through your sponsor, naming Madera Church by its legal name and noting any purpose (such as the general fund or a building campaign).

3 Giving Through Your Estate Plan

A planned gift lets you support Madera Church's future ministry while keeping full use of your assets during your lifetime. Most planned gifts are simple to arrange and can be updated if your circumstances change.

- **Will or living trust.** Leave a specific amount, a percentage of your estate, or what remains after providing for loved ones. Charitable bequests are generally free of estate tax.
- **Beneficiary designations.** Name the church as a full or partial beneficiary of an IRA, 401(k), life insurance policy, or payable-on-death or transfer-on-death account, often with a simple form and no change to your will.
- **Retirement accounts are especially efficient.** Heirs generally owe income tax on inherited pretax retirement accounts; the church does not. Leaving these accounts to the church and other assets to family can stretch your estate further.
- **Gifts that provide income.** A charitable remainder trust can pay you income for life, with the remainder going to the church. These require an attorney and are generally best suited to larger gifts.

Next step: Ask the church for its legal name and tax ID number for your attorney. If you choose to share your plans with us, we will hold them in confidence and would be grateful to thank you.

4 Appreciated Stocks and Investments

Stocks, mutual funds, ETFs, and bonds that have grown in value often make a better gift than cash. When you give investments held more than one year directly to the church, rather than selling them first, you generally avoid capital gains tax and, if you itemize, may deduct their full current market value.

> ***Example:*** *You own shares bought years ago for $2,000 that are now worth $10,000. If you sell them and give the proceeds, you may owe capital gains tax on the $8,000 gain. If you give the shares directly, the church receives the full $10,000, you owe no capital gains tax, and you may deduct $10,000 if you itemize.*

- **Holding period matters.** Investments held one year or less are generally deductible only at what you paid for them.
- **Don't donate investments at a loss.** It is usually better to sell them, claim the loss on your taxes, and give the cash.
- **Allow time.** Transfers can take a week or more, especially for mutual funds, so start well before year-end.

Next step: Contact the church for brokerage transfer instructions before you begin, and tell us the investment name and number of shares, since transfers often arrive without the donor's name.

5 Real Estate

A home, rental property, farmland, vacant land, or commercial building that has increased in value can make a significant gift. Like long-held stock, donated real estate can avoid capital gains tax and may provide a deduction for its appraised value, while relieving you of the cost and work of maintaining or selling it.

- **Flexible options.** Give the property outright, give a portion of it, or give your home while keeping the right to live there for life (a "retained life estate"), which can provide a deduction now.
- **Plan before you sell.** Property valued over $5,000 requires a qualified appraisal and IRS Form 8283. If you have already agreed to sell, the gain may still be taxed to you. Mortgages, environmental concerns, and carrying costs add complexity.

Next step: Real estate gifts must be reviewed and approved by the church before they can be accepted, so please contact us early in your planning.

6 Vehicles

Cars, trucks, motorcycles, RVs, and boats can be donated, typically to be sold with the proceeds supporting the church's ministry.

- **Deduction rules.** If you claim more than $500 and the church sells the vehicle, your deduction is generally limited to the sale price, and the church will provide IRS Form 1098-C. A higher deduction may be allowed if the church uses the vehicle in its ministry.
- **Transfer properly.** Sign over the title, keep copies of all paperwork, and file a release of liability with your state motor-vehicle agency.

Next step: Confirm with the church that it can accept the vehicle before transferring ownership.

Giving With Intention

Scripture teaches, "Every man according as he purposeth in his heart, so let him give" (2 Corinthians 9:7). Generosity is most meaningful when it is intentional. Just as we plan carefully for retirement and for our families, thoughtful planning allows our giving to reflect our deepest values, and often to accomplish far more than we thought possible. A QCD this year, shares of stock that have grown over decades, or a beneficiary designation that will support ministry long after we are gone can each be an act of faithful stewardship.

The right approach depends on your age, the assets you hold, your tax situation, and your goals for your family and the church. **We would love to talk with you.** Please contact Madera Church to ask questions, request our giving information, and confirm that the church can accept your gift before any transfer begins. We also encourage you to speak with your financial advisor, tax professional, or estate-planning attorney about the strategy that best fits your situation.

Madera Church Giving Information

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Important: *This guide is for general educational purposes only and is not legal, tax, financial, or investment advice. Figures reflect federal rules for 2026; tax laws change, state rules vary, and every donor's situation is different. Please consult qualified professional advisors before making a charitable gift.*