

# Gary Botwinick Responds To NJMoneyHelp.com Query, "Can I pay church dues through my IRA as a charitable donation?"

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Q. Is it considered legal to use a Qualified Charitable Distribution (QCD) from an IRA to pay your annual church dues? I know someone who says she does this annually but I wondered if it is legal in the eyes of the law? — Curious

A. This is a great question.

It involves some understanding about how IRAs, contributions to charitable organizations and taxes work.

At a certain age, every IRA owner is required to begin taking Required Minimum Distributions (RMDs) from the account, said Gary Botwinick, an estate planning attorney and chair of the wills, trusts and estates group at Einhorn, Barbarito, Frost & Botwinick in Denville.

"If you reached the age of 70 ½ in 2019 the prior rule applies, and you must take your first RMD by April 1, 2020," he said. "If you reach age 70 ½ in 2020 or later, you must take your first RMD by April 1 of the year after you reach 72."

"Since the standard deductions have been increased for federal income tax, you may not get the benefit of a charitable deduction because you are much less likely to itemize your deductions in tax years after 2017," he said. "So you have to include the income, but you don't get the benefit of the deduction."

“So you are likely thinking that since your friend is using the QCD to pay her church dues, thus allowing her, presumably, to participate in the services at the church, she is getting something in return and she should not be entitled to treat this contribution as fully deductible,” he said. “However, the federal tax laws exempt ‘intangible religious benefits,’ such as admission to worship services, as a benefit received in return that would reduce the value of the contribution.”

So, your friend is doing well by doing good, Botwinick said, and she would be entitled to use the QCD to satisfy her dues as well as her RMD requirement.

“Moreover, she satisfied her charitable desires in a very tax-efficient manner,” he said. “Well done.”

To read the article in its entirety on NJMoneyHelp.com, [click here](#).