



A STEWARDSHIP GUIDE

A Guide to Charitable Giving Through Your Retirement Accounts

Understanding Qualified Charitable Distributions (QCDs) and Faith-Based Stewardship

Prepared By



**Wonder Valley
Christian Camp**

CONTACT

Dan Owsley · info@wondervalleycamp.com
· 812-883-4964

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————— *“Whoever is faithful in little is faithful also in much.”* —————

PART I

Introduction

Americans currently hold more than \$47.6 trillion in retirement accounts, including IRAs, 401(k)s, 403(b)s, and other qualified plans. If you are reading this guide, you likely have a retirement account of your own. Perhaps you opened an IRA years ago or participated in a retirement plan through your employer.

\$47.6T

held by Americans in IRAs, 401(k)s, 403(b)s, and other qualified retirement plans today

These accounts are often funded with pre-tax dollars, allowing investments to grow tax-deferred over time. However, withdrawals are generally taxed as ordinary income.

As retirement approaches, many believers begin asking important questions:

- ◆ Will I need all of my Required Minimum Distributions (RMDs)?
- ◆ Could these withdrawals increase my taxes?
- ◆ What happens to my retirement accounts after my lifetime?
- ◆ Is there a way to support ministry while stewarding these resources wisely?

The good news is yes.

There are charitable giving strategies that may allow you to support the ministries and Kingdom work you care about while also reducing taxes on retirement income. This guide introduces several options and explains how they may fit into your stewardship and estate planning goals.

PART II

Required Minimum Distributions

The IRS does not allow retirement funds to remain tax-deferred indefinitely. At a certain age, account owners are required to begin taking annual withdrawals called Required Minimum Distributions, or RMDs.

Your RMD amount is calculated using IRS life expectancy tables and is treated as taxable ordinary income. You may take your distribution in one payment or spread it throughout the year, as long as the required amount is withdrawn before December 31.

BORN	RMDS BEGIN AT AGE
1950 or earlier	72
1951 – 1959	73
1960 or later	75

PLEASE NOTE

If the full RMD amount is not withdrawn, the IRS may impose a penalty tax equal to **25% of the undistributed amount**.

What If I Don't Need My RMD Income?

If you do not need all of your retirement income for living expenses, there may be more meaningful and tax-efficient options available. For many Christian families, retirement becomes an opportunity to continue faithful stewardship by investing in ministry, missions, and Kingdom impact.

PART III

Qualified Charitable Distributions

Once you reach age 70½, you may make a direct gift from your IRA to a qualified charity or ministry through a Qualified Charitable Distribution, commonly called a QCD.

\$111K

may be given annually per person through a QCD in 2026, rising each year with inflation

Benefits of a QCD

- ◆ The gift goes directly from your IRA to the ministry or charity
- ◆ The amount is excluded from your taxable income
- ◆ It may satisfy all or part of your Required Minimum Distribution
- ◆ It is not subject to charitable deduction limitations that apply to other gifts

For many believers, a QCD provides a practical and meaningful way to support ministry while managing retirement income wisely.

Important Things to Know

- ◆ QCDs may only be made from IRAs
- ◆ Funds held in a 401(k) or 403(b) generally must be rolled into an IRA first
- ◆ Most traditional, inherited, and rollover IRAs qualify
- ◆ Your IRA custodian can help confirm your eligibility

PART IV

Reducing Taxes on Retirement Assets

When you established your retirement account, you likely named one or more beneficiaries. Many people are surprised to learn that retirement assets passed to heirs may still be subject to ordinary income tax after death — often called Income in Respect of a Decedent (IRD) tax.

Fortunately, there are charitable planning strategies that may help reduce or avoid these taxes.

Naming a Ministry as Beneficiary

One option is to designate a church, ministry, or other qualified charitable organization as a beneficiary of your retirement account. You may continue using your retirement funds during your lifetime. Then, after your death, any remaining balance passes directly to the ministry.

WHY IT MATTERS

Because qualified ministries do not pay income tax on these gifts, more of your retirement assets can go directly toward advancing the mission and causes you care about most — and it may allow other assets to pass more efficiently to your family.

PART V

“Give It Away Twice”

Another charitable planning strategy involves using retirement assets to fund a charitable remainder trust. Through this approach, your retirement assets may bless both your family and the ministries closest to your heart.

This arrangement may:

- ◆ Provide income to your family or other loved ones for a period of time
- ◆ Distribute the remaining trust assets to one or more ministries afterward

*First, provision for those you love.
Then, provision for the work you love.*

PART VI

Advantages of Giving Through Retirement Accounts

Because retirement funds were contributed before taxes, distributions are generally taxable when withdrawn. However, using these assets for charitable giving may reduce or eliminate some of those taxes.

For example:

- ◆ Cash gifts to charity may qualify for an income tax deduction
- ◆ Qualified Charitable Distributions allow eligible IRA owners to give directly from retirement funds without recognizing taxable income
- ◆ Naming a ministry as beneficiary may reduce taxes on inherited retirement assets

For many families, this creates an opportunity to combine wise stewardship with lasting Kingdom impact.

PART VII

How to Donate From Your Retirement Account

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To make a Qualified Charitable Distribution, contact your IRA custodian before your Required Minimum Distribution deadline. Your account representative can guide you through the process and help arrange a direct transfer to your chosen ministry or charitable organization.

Once completed:

- ◆ The gift is sent directly from your IRA to the ministry
- ◆ The amount transferred through the QCD is excluded from taxable income
- ◆ Any remaining RMD amount not satisfied through the QCD will be distributed to you as taxable income

IF YOU HOLD A 401(K) OR 403(B)

You may be able to roll those funds into an IRA to take advantage of future QCD giving opportunities.

PART VIII

Frequently Asked Questions

Q *Can I give from my retirement income and still avoid paying taxes on it?*

A If retirement funds are distributed directly to you, the IRS considers that amount taxable income, reported on Form 1099-R. You may still choose to give those funds to ministry — if you itemize deductions, your gift may help offset some of the taxes owed.

Q *Can I receive my RMD and then write a check to the ministry as a QCD?*

A No. For a gift to qualify as a QCD, it must go directly from your IRA account to the ministry or charitable organization. If the funds are first distributed to you personally, they become taxable income.

Q *Can I name a ministry as the beneficiary of my retirement account?*

A Yes. Many individuals choose to leave a final legacy gift this way. Because ministries do not pay income tax on these gifts, more of your resources can go directly toward ministry impact.

Q *Can a QCD count toward my Required Minimum Distribution?*

A Yes. A QCD may satisfy all or part of your RMD for the year — especially beneficial if you do not need the additional retirement income for living expenses.

Q *Can I make a QCD from a 401(k) or 403(b)?*

A No. QCDs may only be made directly from an IRA. However, many retirement plans can be rolled into an IRA, allowing future QCD giving opportunities.

Q *How much can I give through a QCD?*

A In 2026, eligible individuals may give up to \$111,000 annually through Qualified Charitable Distributions. Married couples with separate IRAs may each qualify to give up to the annual limit.

Q *What types of ministries or charities qualify for QCD gifts?*

A QCDs may generally be made to churches, ministries, mission organizations, and other qualified nonprofit organizations recognized by the IRS. Your financial advisor or IRA custodian can help confirm eligibility.

Q *Should I speak with an advisor before making a gift from my retirement account?*

A Yes. Every family's financial situation is unique. Before making decisions involving retirement accounts, estate planning, or charitable giving, consult trusted financial, legal, and tax professionals. Wise stewardship includes careful planning, prayerful consideration, and a desire to honor God with the resources He has entrusted to you.

PART IX

Final Encouragement

Faithful stewardship is about more than finances. It is about using the resources God has entrusted to us in ways that reflect our values, support ministry, and leave a lasting legacy.

Whether through a Qualified Charitable Distribution, beneficiary designation, or another charitable strategy, your retirement assets can continue making an eternal impact for generations to come.

Contact

Ministry

Wonder Valley Christian Camp

CONTACT NAME

Dan Owsley

EMAIL ADDRESS

info@wondervalleycamp.com

PHONE NUMBER

812-883-4964

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