

CHARITABLE DONATIONS

Qualified Charitable Donations (QCD)

Direct transfers from IRAs to Charities – a tax benefit for you



This unique opportunity allows taxpayers to make charitable contributions through a direct IRA transfer.

If you would like to make a gift using your Ira and if:

1. You are at least 70 1/2 years old on the date you make your gift
2. Your IRA is a traditional (some Roth IRAs may qualify)
3. You don't exceed your personal maximum of \$100,000 per year in qualified charitable distributions

Tax Saving Advantages:

1. QCDs are not included in your adjusted gross income.
2. QCDs deliver a tax benefit while "regular" charitable donations might not since the Tax Cuts and Jobs Act almost doubled the standard deductions amounts.
3. QCDs taken from your traditional IRA counts as a distribution for the required minimum distribution (RMD) rules. Therefore, you can donate all or part of your RMD that you would otherwise be forced to receive and pay taxes on.

The best way for you to start is with your IRA custodian. Tell them you want to make a "qualified charitable distribution." In most cases you will only have to fill out a simple form.

VERY IMPORTANT!! Your gift must go directly from your IRA to the Charity. If you receive the money first then you'll be taxed on it like any other distribution.

*Bill has \$125,000 in a traditional IRA and would like to contribute \$5,000 to his parish. Upon hearing of the **Charitable IRA Rollover** opportunity, he directs the custodian of his IRA to transfer this amount not later than December 31, 2022 directly to the Parish as the family's 2022 gift. He gets to exclude the IRA distribution given to charity from income.*

This information is not intended and should not be construed as legal, tax or investment advice. For such advice, please consult an attorney, tax advisor or investment professional.