Qualified Charitable Distributions (QCDs)

A Qualified Charitable Distribution (QCD) allows individuals aged 70½ or older to donate directly from their IRA while reducing taxable income. A QCD counts toward your required minimum distribution (RMD) for the year, making it a simple, tax-smart way to give.

How a QCD Works

- Funds are transferred directly from your IRA to the charitable organization.
- The distribution is not treated as taxable income, even though it counts toward your RMD.
- You can donate up to $108,000 per year per individual.

QCDs allow donors to make meaningful gifts without affecting cash flow or increasing tax liability, and they provide a straightforward way to fulfill RMD requirements.

Benefits of a QCD

- Support charitable causes in a tax-efficient way.
- Fulfill your RMD requirement while reducing your taxable income.
- Make a larger charitable gift directly from retirement savings.

Next Steps

1. Contact your IRA custodian to arrange the transfer.
2. Speak with your financial planner or tax advisor to confirm how a QCD fits into your overall financial and charitable plans.
3. Ensure the transfer is completed within the tax year to count toward that year's RMD.