The IRA charitable transfer is a great way to make a gift to a mission or ministry that you care about. Consider making the most of your IRA as you plan your required annual minimum distribution. Qualified Charitable Distributions (QCDs) are gifts to charities made directly from an individual retirement account. This is an easy, tax-advantaged way for Presbyterians to support their favorite mission or ministry.
**REQUIREMENTS**
- Donor must be 70½ or older at the time the distribution is made (age provision unaffected by the SECURE Act of 2019)
- The distribution must be otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA)
- Distributions must be made **directly to an organization** eligible to receive tax deductible contributions (certain exclusions apply)
- $100,000 annual limit
- Charity receiving gift must provide donor proper substantiation of the gift
- Qualified Charitable Distributions (QCDs) are reported on your Form 1040 tax return in the section for IRA distribution

**BENEFITS**
- Can satisfy Required Minimum Distribution (RMD) in year QCD is made
- QCD amount is not included in the donor’s adjusted gross income, helping to potentially avoid increased taxes on SSI, higher Medicare premiums, and the loss of deductions/exemptions
- Provides donors that use the standard deduction a tax efficient way to make a charitable gift

**EXAMPLE**
Sandra, 71, wants to make a contribution to her local church. She has $500,000 in her IRA and she wants the contribution to be $20,000. She can authorize the administrator of her IRA to transfer $20,000 to her church. Since the QCD is excluded from income, Sandra will not be eligible for a charitable income tax deduction, but she will still receive tax savings. The $20,000 distributed to her church will be counted toward her annual minimum required distribution and she will not pay income tax on the portion given to charity.

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