# Charitable Giving
## THROUGH YOUR IRA

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 through a Qualified Charitable Distribution (QCD). 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.

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## Requirements

- Donor must be 70 1/2 or older at the time the distribution is made
- The distribution must be an otherwise taxable distribution.
- Distributions must be made **directly to an organization** eligible to receive tax deductible contributions (donor advised funds and certain private foundations are excluded).
- $111,000 annual limit
- 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 or higher Medicare premiums
- Provides donors who use the standard deduction a tax efficient way to make a charitable gift
- May help avoid income tax that otherwise would apply to an IRA distribution.

### EXAMPLE

*Sandra, 74, 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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