



Qualified Charitable Distributions

September 27, 2024



One request.....

Please Ask Questions!
Questions are encouraged!



Agenda

- What are Qualified Charitable Distributions (QCD's)?
- Key Features
- How do QCD's work?
- How to best utilize / benefit

What are QCD's.....

Qualified Charitable Distributions – QCD's:

- Direct distribution from an individual retirement account (IRA) to a qualified charity / non-profit
- Satisfy Required Minimum Distributions (RMD's) without incurring associated income taxes

QUALIFIED CHARITABLE DISTRIBUTIONS



Key Features

- ✦ **Eligibility:** must be 70 ½ or older at time of distribution
- ✦ **Limits:** up to \$100,000 / year
- ✦ **Tax Benefits / Advantages:** QCD amounts not included in your taxable income and will satisfy RMD's
- ✦ **Direct Distribution:** money must go directly from IRA to qualified charity / organization
- ✦ **Eligible Charities / Organizations:** must be 501(c)(3)

How do they work?

- Initiate distribution with IRA provider
- Have payment issued directly to charity / organization
- Get a receipt / acknowledgement from charity / organization
- 1099R from IRA provider
- Take receipt and 1099R to tax preparer at tax time

Ways to maximize benefits

- ◆ Confirm charity / organization qualifies
- ◆ Use to satisfy annual Required Minimum Distribution, if possible
- ◆ Be strategic and plan your contributions
 - ◆ Use QCD's for gifts / donations you're already doing
- ◆ Can be combined with other tax strategies
- ◆ Coordinate with your professional advisors-
 - ◆ Financial planner / Advisor, Trust Officer, Accountant, Attorney, etc.

Questions

Erick Kephart

V.P. / Trust Officer

ekephart@decorah.bank

563.382.1556

