

34th Annual
Tax Symposium

**PLANNING WITH INTENTION:
CHARITABLE GIVING & IRAS**

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WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION (QCD)

A Qualified Charitable Distribution (QCD) is a direct transfer of funds from your IRA to a qualified charity.



SIX LEGAL REQUIREMENTS TO QUALIFY AS A QCD

1. Must be over the age of 70 ½
2. Only applies to individual retirement accounts
3. For 2025, you can exclude up to \$108,000 per person from your income
4. Distribution must be made directly from the IRA to the charity
5. Donor Advised Funds and Private Foundations do not qualify
6. No Quid Pro Quo

GIVE MORE, PAY LESS

- QCDs can count towards RMD requirements
- Amount transferred is excluded from taxable income
- Reducing AGI can impact Medicare premiums and Social Security benefits



KEY ERRORS TO WATCH OUT FOR

- **Direct Payment Only:** IRA custodian must transfer funds directly to the qualified charity
- **Paper Trail:** Account holders must obtain written acknowledgment from the charitable organization confirming receipt of the donation
- **Timing:** A QCD can only be done for the current calendar year; If the deadline is missed, you can't make a QCD for the prior tax year.
- Itemization is not required to make a QCD

TAX REPORTING OF A QCD

A QCD is reported on Form 1099-R as a normal IRA distribution and therefore included in taxable income.

1099-R will not indicate that the distribution is a QCD and therefore a nontaxable transaction.

It is up to the traditional IRA owner or beneficiary to advise their tax preparer to ensure that the favorable QCD tax benefit is received by distinguishing between total distribution and taxable distribution.

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THANK YOU



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