

In Case You Didn't Know...

If you are at least 70 ½ years old and have made contributions to an IRA, you are eligible to make charitable contributions to a qualified charity directly from your IRA. Such contributions count toward annual Required Minimum Distributions (RMD) and are not included in Adjusted Gross Income as a Retirement Distribution.

A few rules:

- You can contribute more than your RMD as long as you do not exceed \$100,000 in a calendar year,
- You may not receive anything (other than an intangible religious benefit) from the charity as quid pro quo for your contribution,
- The charity must provide you an acknowledgment stating the amount of the charitable distribution and that no goods, services or benefits of any kind were or will be provided to you in consideration for the distribution from the IRA,
- The contribution cannot go to a donor-advised fund, supporting organization or private foundation,
- You cannot make the charitable IRA distribution from Simplified Employee Plans and Savings Incentive Match Plans for Employees if an employer contribution is made for that year.,
- You would not include any such contributions as itemized deductions because they are already excluded from Adjusted Gross Income.

Potential benefits:

If your financial situation allows you to donate IRA funds to a charity, you can benefit tax-wise if you match one of more the following profiles:

- You don't itemize deductions (under the normal rules only itemizers get any income tax benefit from charitable donations),
- You want to avoid being taxed on the required minimum distribution amount that you must take from your IRA,
- You want to reduce your Adjusted Gross Income on your tax return.

If this has piqued your interest, consider speaking to your financial planner, CPA or the financial institution that holds your IRA about arranging for a "Qualified Charitable Distribution" (QCD).