



IRA QCD Gifts

Planning your estate requires thoughtful consideration of your beneficiaries, knowledge of your options, and an understanding of taxation. If you plan on giving to both your family and charity, knowing what gifts will make the biggest impact for each recipient can be a great asset.

Good gifts to consider for family and children are stocks, homes, land, and other property. Careful planning for these gifts can help minimize state and federal taxes to you and your beneficiaries.

An IRA gift through a Qualified Charitable Distribution (QCD) is a good gift to consider for a church or a charity. This type of gift can help you avoid federal income taxes, reach the Required Minimum Distribution (RMD) each year, and ultimately enables a larger overall donation.

Ways to give

Once an IRA owner reaches the age of 72 they are required to withdraw a certain amount per year to reach the RMD. Unless given to a charity, the IRA balance, whether withdrawn or saved with the intent to give to a beneficiary, is subject to federal income taxes. Many individuals use this as an opportunity to give to charities. A QCD gift to a church or charity both helps to reach the RMD and can avoid federal income taxes.

Requirements for IRA Gifts

Requirements for a Qualified Charitable Distribution:

- The IRA account owner must be at least 72 years of age for the gift to count towards the RMD (Required Minimum Distribution)
- Rollover funds must come from an IRA
- For those 70^{1/2} or older, rollover funds are limited to \$100,000 per year
- The transfer of funds must be completed on or before December 31
- Rollover funds must be given to a qualifying 501(c)(3) charity or used to fund a life-income plan (gift annuity, charitable remainder annuity trust, or charitable remainder unitrust). IRA funds cannot be used to fund: donor-advised funds, supporting organizations, private foundations, pooled income, or tax-deductible gifts.



If you are interested in more information on this type of gift, or other ways you can give, please call the Foundation at 334-793-6820 or email us at foundation@alwfumf.org. You can also find more ways to give at www.alwfumf.org/ways-to-give.



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