

# GIVING THROUGH AN *IRA with a QCD*



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.

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.

Consider an IRA gift through a Qualified Charitable Distribution (QCD) for your church or charity. This type of gift can help you avoid federal income taxes, reach the Required Minimum Distribution (RMD) each year, and may ultimately allow for a larger overall donation due to its tax efficiency.

## *Ways to Give*

### **Qualified Charitable Distribution**

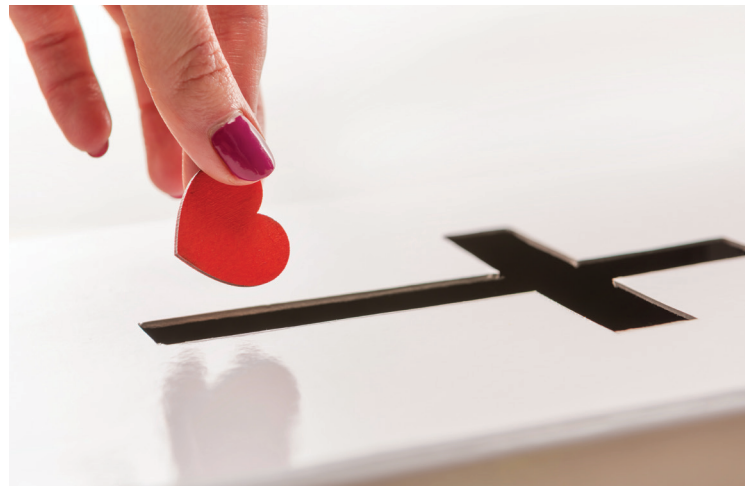
Once the owner of a Traditional IRA reaches Required Minimum Distribution age (73 for 2026), they are required to withdraw a determined amount from their IRA. Unless given to a charity, the IRA balance, whether withdrawn or saved with the intent to give to a beneficiary, is subject to federal income taxes. Many individuals use this as an opportunity to give to charities. A QCD gift to a church or charity helps to satisfy your RMD and is excluded from taxable income.

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](mailto:foundation@alwfumf.org).

## *Requirements for IRA Gifts*

### **Requirements for a Qualified Charitable Distribution:**

- Gift disbursements (or QCD's) must come from a traditional IRA.
- For those 70<sup>1/2</sup> or older, funds are limited to \$111,000 (2026).
- The transfer of funds must be completed on or before December 31.
- Funds must be given directly 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, or pooled income funds.



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\*This information is a guide and is not intended as legal, tax, or investment guidance. Please consult your attorney, tax professional, or investment professional for advice.