



IF YOU:

- are 70-1/2 or older,
- have an Individual Retirement Account (IRA), and
- do not depend upon your required minimum distribution from your IRA for living expenses,

the following information may be of interest to you.

### **DONATING VIA A QUALIFIED CHARITABLE DISTRIBUTION**

This provision, which the IRS calls a Qualified Charitable Distribution, allows anyone aged 70.5 or older to donate money from their IRA account directly to a charitable organization without that gift counting as “income”. This tax benefit is the same regardless of whether or not the donor is itemizing.

#### **What is a qualified charitable distribution?**

Generally, a qualified charitable distribution (QCD) is an otherwise taxable distribution from an IRA

(other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity. See [Pub. 590-B](#), Distributions from Individual Retirement Arrangements (IRAs) for additional information.

#### **Can a QCD satisfy my required minimum distribution from an IRA?**

Yes, if you are 70.5 or older, your qualified charitable distributions can satisfy all or part the amount of your required minimum distribution from your IRA. You can also transfer more than your required annual distribution.

#### **How Much Can I transfer?**

If you or your spouse meet the age requirement, you can transfer up to \$100,000 a year (per person who meets the age requirement) without paying any tax on that transaction. Any money you transfer via one of these distributions reduces the amount you must take in required distributions.

#### **Other Considerations**

A point worth noting: you may still transfer up to \$100,000 a year even if your RMD is less than this amount. The amount in excess of the RMD is not treated any differently, for tax purposes (it does not count as income and you do not take an itemized deduction for the amounts). This strategy also helps reduce your Adjusted Gross Income (AGI). Your AGI determines how much of your Social Security is subject to income taxes, if you will be subject to the Net Investment Income Tax, and the amount of your Medicare premiums in the following year. So, lowering income can indirectly reduce other costs.

### **Can I Give to More Than One Charity?**

Yes! There are no IRS limitations on how many or how small the distributions may be to your favorite charities, so it only depends on your brokerage firm and any limitations they may have.

### **How Do I Make the Gift?**

Most brokerage firms will assist you with these transactions, only requiring that you provide the name, address, and other pertinent information for the charities. From there they will either disburse the checks directly to the charities or send the checks to you to pass along.

**\*\*Please let us know if you have initiated this process so we can direct the donation per your wishes when it arrives.**

In order to complete QCD, you need to direct your IRA plan administrator to transfer assets directly to the charitable organization you wish to support. Below is a sample instruction letter to send to your IRA plan administrator.

### **Sample Request Letter from Donor to Administrator for a QCD from an IRA**

Re: Request for Charitable Distribution from Individual Retirement Account

Dear Sir or Madam: Please accept this letter as my request to make a direct charitable distribution in the amount of \$\_\_\_\_\_ from my Individual Retirement Account # \_\_\_\_\_ [account number]. This distribution should be made payable to: Skagit Land Trust, PO Box 1017, Mount Vernon WA, 98232. Tax ID # 91-1533402. Molly Doran is the Executive Director of Skagit Land Trust and can be reached at 360-428-7878 x202.

In your transmittal to Skagit Land Trust, please memorialize my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal. If you have any questions or need to contact me, I can be reached at \_\_\_\_\_ [telephone #]. Thank you for your assistance in this matter.

Sincerely, [Plan owner]

If more information or assistance is needed, please call our Executive Director, Molly Doran, at Skagit Land Trust's office, 360-428-7878 x202 or email [mollyd@skagitlandtrust.org](mailto:mollyd@skagitlandtrust.org).

**Address:** Skagit Land Trust, 1020 S 3rd Street, PO Box 1017, Mount Vernon, WA 98273

**EIN # for Skagit Land Trust:** 91-1533402

