



IRA DISTRIBUTION

In 2023, the Internal Revenue Service issued a new way to donate to non-profits through individual retirement arrangements (IRAs). IRA owners age 70½ or over can transfer up to \$100,000 to charity tax-free each year. These transfers, known as qualified charitable distributions or QCDs, offer eligible older Americans a great way to easily give to charity before the end of the year. And, for those who are at least 73 years old, QCDs count toward the IRA owner's required minimum distribution (RMD) for the year.

How to set up a QCD

Any IRA owner who wishes to make a QCD should contact their IRA trustee early so the trustee will have time to complete the transaction before the end of the year. Normally, distributions from a traditional IRA are taxable when received. With a QCD, however, these distributions become tax-free as long as they're paid directly from the IRA to an eligible charitable organization.

QCDs must be made directly by the trustee of the IRA to the charity. An IRA distribution, such as an electronic payment made directly to the IRA owner, does not count as a QCD. Likewise, a check made payable to the IRA owner is not a QCD.

How does it work for you? It's best to contact your financial advisor. We appreciate your support!

