

How to Make Required Minimum Distributions (RMDs) from your IRA Tax-Free

By Annie Schurman

In most cases, distributions from a Traditional IRA are taxable in the year that you make the withdrawal. A qualified charitable distribution (QCD) is one of the few exceptions.

A QCD is a nontaxable distribution made directly from your IRA account to an organization that is eligible to receive tax-deductible contributions.

Making a QCD can benefit you by reducing your taxable income while you support qualifying charitable organizations. If you do not have enough deductions to itemize and you make charitable contributions, this is also way to make your contribution deductible to you.

- Taxpayers who make a QCD must be at least 70½ years old on the day of the distribution. (NOTE - The tax law changed the RMD age to 72 in 2020, but the age limit for the QCD is still 70½)
- A QCD will count toward a required minimum distribution.
- The taxpayer must have record of the contribution.
- The amount of the QCD can't be more than the amount of the distribution that would count as income.
- The maximum annual exclusion for QCDs is \$100,000.
 - When filing a joint return, the spouse can also have a QCD and exclude up to \$100,000.
 - Any QCD more than the \$100,000 exclusion limit counts as income like any other distribution.

As always, if you have any questions, do not hesitate to email or call us.

Thank you!

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