



QCD Basics & Benefits Tip Sheet

Basics:

- A QCD is when the financial institution sends a check directly payable to a qualified 501(c)(3) charity from an IRA.
- You must be 70 ½
- The maximum amount that can be distributed to the qualified charity is 100% of an individual's annual Required Minimum Distribution up to \$100,00 each year.
- The only type of retirement account that a QCD can be executed from is an Individual Retirement Account (IRA).
- If you have retirement assets in a 401k, 403b, etc., you must first transfer the funds into an IRA. The IRA will not be eligible for a QCD until the year after the funds were re-titled as an IRA.
- A QCD CANNOT be used for gifting to a Donor Advised Fund or to fund life-income gifts such as charitable gift annuities, charitable remainder trusts, etc.
- Other funds at CFES are eligible for these gifts, including Community Needs Funds, Field of interest Funds, and Designated Funds.

Benefits:

- The act of the QCD, allows the tax payer to reduce their Adjusted Gross Income (AGI) by the QCD amount.
- A reduction in AGI will reduce taxes and can reduce future Medicare Premiums.
- Now, with the new increased standard deduction of \$12k for individuals and \$24k for Joint filers, many tax payers will no longer be itemizing, and will not receive a tax benefit for their charitable contributions unless they use this strategy.

**A QCD was a good strategy before the new tax law,
and an even more powerful one after.**

For further QCD educational materials, please reach out to us as we are happy to provide you with print, video, audio and the support you need to make sure your organization is not impacted by the implications the new higher standard deductions have on many taxpayers charitable contribution deductibility.

Knowledge is Power!

Now, let's now go out and help other's give more by sharing this tax efficient strategy and create a massive ripple effect in our community!

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*This information is not intended to be a substitute for specific individualized tax advice. I suggest that you discuss specific tax issues with a qualified tax adviser prior to making any decisions.

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