2025 · CAN I DO A QUALIFIED CHARITABLE DISTRIBUTION FROM MY IRA?

FALCON FINANCIAL of Oklahoma, LLC

Falcon Financial of Oklahoma, LLC Advisory Services are provided by Perissos Private Wealth Management

START HERE

Do you have a traditional IRA, inherited IRA, inherited Roth IRA, SEP IRA, or SIMPLE IRA?

- No → Sorry, you are not eligible for a Qualified Charitable Distribution (QCD).
- Yes → Will you be at least 70.5 at the time you plan to make the Qualified Charitable Distribution (QCD)?
  - No → Sorry, you must be at least age 70.5 before you can make a QCD.
  - Yes → Is the IRA actively receiving any employer contributions (SEP IRA or SIMPLE IRA)?
    - Yes → Sorry, you are not eligible for a QCD if you are still receiving employer contributions.
    - No → Are you married and do you file a joint income tax return?
      - Yes → The dollar amount of your total QCDs cannot exceed $216k (limited to $108k per taxpayer).
      - No → The dollar amount of the QCD cannot exceed $108k.

This can satisfy your Required Minimum Distribution (RMD), if you are subject to one. Be mindful of the "first dollars out" rule.

The QCD will be reduced by the cumulative amount of any deductible IRA contributions made after you turned age 70.5.

Is the recipient a private foundation or donor-advised fund?

- Yes → Sorry, these charitable recipients do not qualify to receive a QCD.
- No → You are eligible for a QCD. Distributions to scholarship funds, designated funds, charitable remainder trusts (CRTs), and charitable gift annuities (CGAs) are qualified as well. CRTs and CGAs are subject to limitations.

Here's the process for doing a QCD:

1. Communicate with your IRA's custodian.
2. Make the request in writing.
3. Specify the dollar amount.
4. Request the check be made payable to the charity, but mailed to you.
5. Forward the check to the charity and request a receipt.
6. Maintain the records in your tax file.
7. Report the QCD on your Form 1040. Your taxable IRA distributions (but not your gross IRA distributions) will be reduced by the amount of the QCD.

© fpPathfinder.com. Not to be reproduced, redistributed, or retransmitted in whole or in part. All rights reserved. Used with permission. Updated 12/01/2024.