

Qualified Charitable Distribution (QCD)

Allows IRA owners ages 70-1/2 and older to donate to charities directly from the IRA, without paying taxes on the money that is transferred to the charity. Some key points:

- QCD's are non-taxable distributions from your IRA that can count towards satisfying required minimum distributions (RMD's) each year.
- IRA owners aged 70-1/2 can donate up to \$108K/year (2025), per individual. \$216K for married couples.
- QCD's are not considered taxable income. This exclusion of income may be more beneficial versus itemized deductions. For example, that can prevent IRMAA penalties which are based on MAGI.
- QCD's are allowed from traditional IRAs and inherited IRAs, as long as you are over 70-1/2. In some cases, from inactive SEP or SIMPLE plans.
- A QCD must be directly transferred by the IRA custodian. Investors request a check. Investment firms will have an easy process to make the request.
- Each year the first withdrawals out of an IRA are considered to be your RMD. If those first withdrawals are not designated as a QCD, they cannot be re-designated as a QCD after the fact, meaning that you may have to pay taxes on those non-QCD withdrawals.
- Unlike DAF's, the asset is completely yours until actually distributed to a charity.

Organizations that handle IRA's and QCD's

Here are a few of suggestions of organizations that handle IRA's and QCD's. This is not intended to be an endorsement, so find the organization that is right for you:

Fidelity Investments:

<https://www.fidelity.com/>

Everence:

<https://www.everence.com/> - [Fact Sheet](#)

Vanguard:

<https://investor.vanguard.com/>

Charles Schwab

<https://www.schwab.com/>