2024 · CAN I DO A QUALIFIED CHARITABLE DISTRIBUTION FROM MY IRA?

MOUNTAIN PEAK

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)?

No

Are you married and do you file a joint income tax return?

Yes

Sorry, you are not eligible for a QCD if you are still receiving employer contributions.

No

The dollar amount of the QCD cannot exceed $105k.

Yes

The dollar amount of your total QCDs cannot exceed $210k (limited to $105k per taxpayer).

No

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:

Communicate with your IRA's custodian.

Make the request in writing.

Specify the dollar amount.

Request the check be made payable to the charity, but mailed to you.

Forward the check to the charity and request a receipt.

Maintain the records in your tax file.

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. Licensed for the sole use of Jeff Presley of Mountain PEAK Wealth Advisors, LLC. All rights reserved. Used with permission. Updated 12/01/2023.