Qualified Charitable Distributions (QCDs)

A Guide for IRA Owners Age 70½ and Older

Prepared for the Finance Committee | 2026

What Is a Qualified Charitable Distribution?

A **Qualified Charitable Distribution (QCD)** is a direct transfer of funds from an Individual Retirement Account (IRA) to a qualified **501(c)(3)** charitable organization. QCDs are authorized under **IRC §408(d)(8)** and allow eligible IRA owners to give directly to charity — including our church — with significant tax advantages.

Key Eligibility Requirements **Age: You must be age 70½ or older at the time of the distribution. Account Type: Distributions must come from a traditional IRA, inherited IRA, or inactive SEP/SIMPLE IRA. Recipient: The charity must be a qualified 501(c)(3) organization. Donor-Advised Funds and Supporting Organizations do NOT qualify. Annual Limit: Up to $105,000 per person ($210,000 per married couple filing jointly) for 2026. Direct Transfer: The check must be made payable directly to the charity — not to the account holder.**

Tax Benefits at a Glance **The QCD amount is excluded from your federal taxable income — unlike a regular charitable deduction, which requires itemizing. A QCD can satisfy your Required Minimum Distribution (RMD) for the year. Reduces your Adjusted Gross Income (AGI), which may lower Medicare IRMAA surcharges, reduce taxation of Social Security benefits, and keep you in a lower tax bracket. No need to itemize deductions to receive the tax benefit.**

QCD vs. Traditional Charitable Giving — Comparison

Feature	QCD	Traditional Donation
Age Requirement	**70½ or older**	None
Reduces Taxable Income	**Yes — directly**	Only if you itemize
Satisfies RMD	**Yes**	No
Lowers AGI	**Yes**	No
Annual Limit	**$105,000 (2026)**	No limit
Donor-Advised Fund Eligible	No	Yes
Standard Deduction Users Benefit	**Yes**	No

How to Make a QCD to Our Church Contact your IRA custodian (broker, bank, or financial institution) and request a QCD. Instruct them to make the check payable directly to [Church Name], a qualified 501(c)(3) organization. Have the check mailed to the church office or brought in directly. Provide your name and designated fund (e.g., General Fund, Building Fund) with the gift. Retain the custodian's statement for your tax records — no charitable deduction is claimed on your tax return for a QCD.	**Important Deadlines** QCDs must be completed by December 31 of the tax year to count for that year's RMD and tax benefit. Plan ahead — some custodians require 2–4 weeks to process QCD requests. Submit early to avoid year-end delays. **Contact & Questions** For questions about giving through a QCD, please contact the church office or speak with your financial advisor or tax professional.

This summary is for informational purposes only and does not constitute tax or legal advice. Consult a qualified tax professional for guidance specific to your situation.