



FAQ: Is a Qualified Charitable Distribution right for you?

When planning your IRA withdrawal strategy, you may want to consider making charitable donations through a Qualified Charitable Distribution (QCD). This allows individuals who are at least 70 ½ years old to donate to charities directly from a taxable IRA, instead of taking their required minimum distributions (RMD).

What is the Required Minimum Distribution?

Qualified retirement plans, such as 401(k)s and IRAs, are funded with pre-tax income and grow tax-free. However, when the taxpayer withdraws money from those accounts, the withdrawal is taxed as ordinary income. Withdrawals are not required until the plan owner reaches an age subject to the Required Minimum Distribution (RMD), after which the individual must withdraw – and pay income tax on – a certain required minimum amount each year.

What is a Qualified Charitable Distribution?

QCD is a gift you make directly from your traditional IRA to a qualified charity. You can use QCDs to give up to \$100,000 to charity tax-free each year. Your QCDs reduce the amount you have to withdraw from your IRA annually (your RMD).

Why is making a QCD a beneficial strategy?

- QCDs may fulfill part or all your annual RMD, if you don't need the additional income.
- The gift does not count as income, so you benefit whether you itemize your taxes or not.
- More liquid assets in your budget while still making your desired donations to a qualified charity.

Would you like more information on how you can use your QCD to benefit AAA programs?

Please contact us at donor@americananthro.org.

Disclaimer: The information contained in this document is not intended as tax advice and is not a substitute for tax advice. For current tax or legal advice, please consult with an accountant or attorney.

How to make a Qualified Charitable Distribution to the AAA:

- Contact your IRA plan administrator to make a gift from your IRA.
- Your IRA funds will be directly transferred to our organization to help continue our important work.
- Please note that QCD gifts do not qualify for a charitable deduction.
- Please contact us if you wish for your gift to be used for a specific purpose.

For the most up to date information on QCDs and RMDs, visit the [IRS website](#).