



QUALIFIED CHARITABLE DISTRIBUTIONS FROM YOUR IRA

Frequently Asked Questions

You can support the ***Together in Sport & Spirit Campaign for Outdoor Athletic Facilities*** at Christ the King Catholic High School through a Qualified Charitable Distribution (QCD). Below are answers to the most frequently asked questions regarding QCDs.

What is a Qualified Charitable Distribution (QCD)?

A QCD is an otherwise taxable distribution from a tax-deferred IRA owned by an individual who is 70 1/2 or older paid directly from the IRA to a qualified charity. Donors sometimes use a QCD to satisfy their annual Required Minimum Distribution (RMD) from their IRA because of associated tax benefits.

What is the difference between a Qualified Charitable Distribution (QCD) and a Required Minimum Distribution (RMD)?

Under current law, every IRA account holder must withdraw a required minimum distribution (RMD) annually beginning at age 73. (In 2023, the Secure 2.0 Act raised the age account owners must begin taking RMDs to 73.) Required minimum distributions are taxable income.

A Qualified Charitable Distribution (QCD) is a distribution directly from an IRA to a qualified charity. If you intend to make a gift to a charity, such as CTK, the QCD allows you to direct the value of your required minimum distribution to a qualifying charity, thus excluding the RMD from your taxable income.

When can I make a Qualified Charitable Distribution (QCD) from my IRA?

Although everyone must start taking RMDs at age 73, you may make a QCD beginning at age 70 1/2 years old.

What is the benefit of supporting a charity through a Qualified Charitable Distribution (QCD)?

Donors may use this strategy to satisfy part, or all, of their required minimum distribution (RMD) and lower overall tax liability while benefitting a charity such as Christ the King Catholic High School.

How much can I give through a Qualified Charitable Distribution?

A QCD permits you (and a spouse from their own IRA) to transfer up to \$105,000 each year from an IRA to a qualified charity. For example, as a married couple, you and your spouse may be eligible to direct up to a total of \$210,000 per year to a charity from your IRAs and significantly lower your overall tax liability.

This information is not meant to be legal advice. Because tax laws change and each situation is unique, please consult your financial advisor to determine if making a qualified charitable distribution is right for you.

For more information, contact Carl Semmler, President, at csemmler@ctkchs.net, or Nicole Seeling, Director of Advancement, at nseeling@ctkchs.net, or call 704-799-4400.

