



**ELCA Foundation**  
**Evangelical Lutheran Church in America**  
God's work. Our hands.



## Qualified Charitable Distribution

### What is a Qualified Charitable Distribution (QCD)?

Generally, a QCD is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity.

A QCD excludes the amount donated from your taxable income and may keep your taxable income lower, reducing the impact to certain tax credits and deductions.

QCDs don't require you to itemize. Therefore, you may choose to take advantage of the higher standard deduction and still use a QCD for charitable giving.

### Can I make a QCD?

To make a QCD, certain requirements must be met:

- You must be 70½ or older
- QCDs are limited to the amount that would otherwise be taxed as ordinary income and, therefore, exclude non-deductible contributions.
- The maximum annual amount that can qualify for a QCD is \$100,000. Your spouse may also be able to make a QCD from his or her own IRA in the same tax year for up to \$100,000.
- Your QCD can be made to one or more charities, such as your favorite ELCA churchwide program or your local church.
- For a QCD to count towards your current year's RMD, the funds must come out of your IRA by your RMD deadline, generally December 31.

### Tax reporting

A QCD is reported as a normal distribution on IRS Form 1099-R for any non-inherited IRAs. Itemization is not required to make a QCD. While the QCD amount is not taxed, you may not then claim the distribution as a charitable tax deduction.

### What are my next steps?

After consulting with your tax or legal advisor, let your IRA custodian know you wish to make a QCD. Be sure to provide them with the information they request. Do not ask the custodian to send the QCD to you. They must send the QCD directly to the charity.

For additional assistance, reach out to your Regional Gift Planner.

The information provided should not be considered tax or legal advice. Please consult with your tax or legal advisor about proceeding with a Qualified Charitable Distribution.

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