



IRA Qualified Charitable Distributions

Lower your tax burden, even if
you don't itemize, if you are age
70 1/2 or older



Tax Benefits of Making Qualified Charitable Distributions From Your IRA Account

A Qualified Charitable Distribution, or QCD, from your traditional IRA account or employer-sponsored retirement account has several significant tax benefits for people age 70 ½ or older. Consult your tax advisor to determine whether a QCD is right for you.

Normally, distributions from a traditional IRA or employer-sponsored retirement account are taxable when received. Not only are these distributions taxable, they can also bump you up into a higher tax bracket. Higher taxable income may also have a negative impact on your Social Security and Medicare benefits.

Beginning at age 73, taxpayers are required to start withdrawing money each year from their traditional IRAs, employer-sponsored retirement accounts, and IRA-based plans such as SEPs and SIMPLE IRAs. The IRS has very specific rules about how to calculate the amount of your Required Minimum Distribution, or RMD, each year.

However, the IRS allows taxpayers to give up to \$100,000 each year directly to a charity from their IRA or employer-sponsored retirement account. This Qualified Charitable Distribution (QCD) can satisfy all or part of your Required Minimum Distribution without increasing your taxable income. A QCD may also reduce the amount of your RMD in future years, which are calculated, in part, based on the fund balance in your IRA or employer-sponsored retirement account.

Don't have an IRA?
If you have an employer-sponsored retirement account, contact us for ideas on what you can do to benefit from the IRA charitable rollover.



How to Make A Qualified Charitable Distribution

If you are age 70 ½ or older and own a traditional IRA, contact your account custodian about making a Qualified Charitable Distribution. Many custodians require you to complete a form to make a QCD.

You may designate the Folly Theater to be the direct beneficiary of your QCD. The Folly Theater is a qualified charitable beneficiary, and we would be very grateful for your support.

Please note, in order to be a tax-free QDC, the funds must be transferred directly from your account to the Folly Theater. If the funds are distributed to you and then you make a charitable donation the distribution may be taxable income to you.

Notify the Folly of your QCD and that funds will be coming from your account custodian so we can watch for your gift. Custodian's checks do not always provide the name and address of the donor. It is important the Folly Theater provides you with a written acknowledgment of your QCD receipt for your tax records - and to express our gratitude for your support.

Again, consult your tax advisor to determine whether a QCD is right for you.

Have questions or need help?
Contact Brian Williams at Brian@FollyTheater.org or 816-768-6886.