



at a glance

QUALIFIED CHARITABLE DISTRIBUTION (QCD)



WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

A **Qualified Charitable Distribution (QCD)** is a wonderful way to support the life-giving ministries of the ELCA and receive key tax benefits.

Here's how it works:

Recent changes to the law have raised, from 70½ to 72, the age at which you are required to withdraw from your Individual Retirement Account (IRA) a certain amount of money known as your Required Minimum Distributions (RMDs). These distributions are taxed as they are withdrawn. Despite this change in the law, a QCD continues to allow taxpayers over age 70½ to donate to charities directly from their IRA, which would allow you to avoid federal income tax on this money while supporting the ministries of the ELCA.

DO I QUALIFY TO GIVE A QCD?

YOU QUALIFY IF YOU ARE:

70½
YEARS OLD



Giving to a
public charity



An owner of
an IRA



Are at any
income level —
QCDs have tax
benefits for low-,
middle- and
high-income
taxpayers.

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WHY SHOULD I USE A QCD?

WHAT ARE THE BENEFITS?

- QCDs are tax-exempt
- Because these distributions aren't added to your income, you may qualify for lower Medicare premiums and Social Security tax rates.
- They count toward your RMDs if you are 72 or older.*
- You don't have to change your will or trust.
- The transactions are simple to record on your 1040 form.
- Your gifts immediately support ELCA programs in need.

RULES TO KEEP IN MIND:

**MAXIMUM
GIFT**

\$100,000

PER PERSON EACH YEAR

(up to \$200,000 for
married couples)

**GIFTS
MUST**

come from an
IRA, NOT A 401(K)

WANT TO LEARN MORE?

Find your regional gift planner at [ELCA.org/foundation](https://elca.org/foundation) or call 800-638-3522.

The examples and information provided are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal advisor about proceeding with your gift plan.

*If you contribute to a traditional IRA and take a tax deduction, that contribution amount is excluded from the QCD that can be used to offset your RMD. Please consult your tax advisor to learn how this may affect you.