

## Qualified Charitable Distributions (QCDs)

For many retirees, charitable giving is both a personal priority and a financial planning strategy. A **Qualified Charitable Distribution (QCD)** allows individuals to support charitable organizations directly from their retirement accounts in a tax-efficient way.

---

### What is a QCD?

A QCD is a direct transfer of funds from an **Individual Retirement Account (IRA)** to a qualified 501(c)(3) charity. The IRS allows individuals age **70½ or older** to make these distributions, up to **\$100,000 per year per person**.

---

### Key Benefits

- **Counts toward Required Minimum Distributions (RMDs):** For those age 73 and older subject to RMDs, a QCD can satisfy part or all of the annual requirement.
  - **Tax Advantage:** Unlike a regular withdrawal, QCDs are **excluded from taxable income**. This can help reduce overall tax liability and may limit the impact on Medicare premiums or Social Security taxation.
  - **Direct Giving:** Because the funds go straight from the IRA custodian to the charity, donors ensure their gift is both efficient and compliant.
- 

### Important Considerations

- QCDs **must go directly to the charity**. Funds cannot be withdrawn by the account holder first.
- Not all charitable organizations qualify. **Private foundations, donor-advised funds, and supporting organizations are excluded.**

- Documentation is important. Donors should obtain a written acknowledgment from the receiving charity.
  - Even if you do not itemize deductions, you can still benefit from the tax exclusion provided by a QCD.
- 

## Is a QCD Right for You?

QCDs can be a powerful tool for charitably minded retirees, but they are not suitable for every situation. Coordination with your financial advisor and tax professional is essential to ensure compliance with IRS rules and to maximize the benefit within your overall retirement and charitable planning strategy.

---

### **Future Capital Management, Inc.**

115 Wilcox Street, Suite 220

Castle Rock, CO 80104

Phone: 720-927-3100 | Email: [info@futurecapitalco.com](mailto:info@futurecapitalco.com) | [www.futurecapitalco.com](http://www.futurecapitalco.com)

---

*This material is for informational and educational purposes only. It should not be construed as investment or tax advice. Please consult with a qualified financial or tax professional before making any financial decisions.*