

# IS A QCD FOR YOU



If you are like a lot of us, you are over 70 ½ years old, and have a Traditional IRA. With the IRS' blessing, you can now make a tax free contribution from that account. The IRS calls this a "QCD" (Qualified Charitable Distribution), details follow. Note the following does not apply to any other type IRA, a 401K or 403B.

The following is how to do a "QCD":

1. Have your IRA custodian make out the paperwork to put this "QCD" in motion.
2. They can then send you one check or twelve checks a year if you would rather do it that way, this may vary depending on your custodian's procedures.
3. The checks have to have the parish's name as the pay to person. Although this is primarily a guide for making contributions to our parish any 501C3 charity qualifies as a recipient.
4. Have the checks sent to you and then give them to the church because your name is not on them.
5. Normally you will have a "RMD" (Required Minimum Distribution) from your IRA which is taxable, the "RMD" is waived for tax year 2020. A "QCD" counts towards that requirement so you will only be taxed on the remainder that you still had to remove.
6. The good part is when you make out your 1040, enter the full amount of your IRA distribution on the return. On the taxable amount line subtract the "QCD" and enter the remainder as the taxable amount.
7. It is OK to give more than the "RMD" so none of the distribution is taxed. Note, there is no penalty until you go over \$100,000, in this case the parish will dedicate a statue to you.

This is one of the few WIN-WIN situations we'll experience in life.