



Ways to Utilize Your IRA to Support SCHC

Qualified Charitable Distribution: an otherwise taxable distribution of up to \$100,000 from an investment retirement account owned by an individual who is 70 ½ or over that is paid directly from the IRA to a qualified charity or charities. Married couples may give up to \$200,000. May also be referred to as IRA charitable distributions.

Required Minimum Distribution: minimum amounts that a retirement plan account owner must withdraw annually starting with the year that he or she reaches 72, if later the year in which they retire.

Key points:

- The QCD does not increase taxable income. This means:
 - Higher tax rates for the distribution are avoided.
 - Social Security and Medicare part B premiums are not impacted.
- The owner of the IRA still receives the full charitable contribution deduction.
- Heirs of IRAs are no longer allowed to stretch out their payments over a lifetime, instead they are required to “clean out” the accounts within 10 years, including paying tax on the distributions. A QCD incentivizes the bequeathment of non-IRA assets to family heirs.
- The full amount of the distribution goes to the charity.
- Must be made by December 31st of a tax year.

Qualified IRAs include:

- Traditional IRA
- Inherited IRA
- Inactive Simplified Employee Pension
- Inactive Savings Incentive Match Plan for Employees IRA