If you own an IRA and are over age 70 ½ you can make a charitable gift, preferably to Avondale Presbyterian Church, by making a “qualified charitable distribution (QDC)” from your IRA. Normally when a charitable contribution is made from an IRA either to the owner or directly to the charity the owner is treated as taking a taxable distribution as personal income. The owner may also receive a charitable deduction to offset the income. Under the new tax laws, the benefit of the charitable deduction has been limited due to the increase in the standard deduction. In other words, many taxpayers may no longer benefit from itemizing their deductible expenditures unless the total exceeds $12,500 for a single taxpayer and $24,000 for married taxpayers.

The QDC provides special tax treatment for anyone age 70 ½ or older. The charitable distribution is not included in the IRA owner’s gross income and no charitable deduction is allowed, even if the IRA owner itemizes expenses. There is an annual limit of $100,000 and the IRA custodian must make the distribution to the charity or send the IRA owner a check made payable to the charity.

So, if you have an IRA, are at least 70 ½ or older, and would like to make a charitable contribution to your charity of choice consider taking advantage of a qualified charitable distribution. If you have an interest in learning more about this opportunity feel free to call Fred Wilkerson, Finance Team Leader at 704-904-7277.