

IRA CHARITABLE GIVING NOW PERMANENT

At the close of 2015, lawmakers approved the Protecting Americans from Tax Hikes (PATH) Act. A provision of this Act made permanent Qualified Charitable Distributions (QCDs) from individual retirement accounts. This is superb news for Presbyterians looking to support their favorite missions and congregations in a tax-advantaged way.

REQUIREMENTS

- Donor must be 70½ or older at the time the distribution is made
- The distribution must be an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA)
- Distributions must be made directly to an organization eligible to receive tax deductible contributions (certain exclusions apply)
- \$100,000 annual limit
- Charity receiving gift must provide donor proper substantiation of the gift

BENEFITS

- Can satisfy required minimum distribution (RMD) requirements in year QCD is made
- QCD amount is not included in the donor's adjusted gross income, helping to potentially avoid increased taxes on SSI, higher Medicare premiums, and the loss of deductions/exemptions
- Provides donors that use the standard deduction a tax efficient way to make a charitable gift