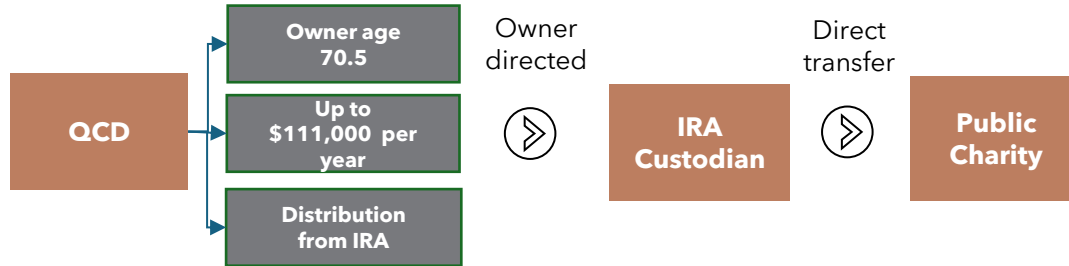


Age 70.5: Qualified Charitable Distributions (QCDs)

What is a Qualified Charitable Distribution?

- Individuals age 70.5 and older may transfer up to \$111,000 per year from their IRA* to a qualified charity without recognizing the distribution as taxable income
- IRA owners aged 73 and older may utilize this strategy to satisfy annual Required Minimum Distributions (RMDs)



*Plans that qualify for QCDs: Traditional IRAs, inherited IRAs, inactive SEP and inactive Simple Plans

Action Steps: How to make a QCD?

- A QCD must be made between institutions; the IRA owner notifies their IRA custodian who then issues a check in the specified amount payable to your selected charity (or charities)
- Individuals may distribute/transfer up to \$111,000 from the IRA to charity per year; if the distribution is to count towards the IRA owner's RMD, this transfer must be made before the December 31 RMD deadline
- Careful: Some charitable entities do not qualify as charitable organizations under this strategy including donor advised funds, private foundations and supporting organizations

Why make a QCD?

- As of age 73, IRA owners must begin to take annual RMDs which could increase income and taxes
- A QCD can satisfy the RMD requirement while helping a charity and lowering taxes
- A QCD is not a tax deduction but rather an exclusion from your taxable income; this reduces your taxable income and may thus lower your tax burden (see below illustration; focus here on federal taxes only, pre state taxes and FICA)

	QCD		Charitable Contribution	
Other Income	\$	300,000	\$	300,000
IRA Distributions*	\$	-	\$	50,000
AGI	\$	300,000	\$	350,000

Less: Deductions

Standard Deduction	\$	(30,000)	\$	-
Itemized Deductions:				
State and Local Tax Limit	\$	-	\$	(10,000)
Charitable Contributions	\$	-	\$	(50,000)
Total Deductions	\$	(30,000)	\$	(60,000)

Taxable Income	\$	270,000	\$	290,000
Federal Taxes Due	\$	50,885	\$	55,685

*The \$50,000 QCD satisfies the RMD requirement but does not count as income.

>\$4,000 / >8% tax saving

Supporting Information



Last Reviewed

11/24/2025

Key Sources

Internal Revenue Code Sections 62, 63, 170, 408, 1411; Notice 2007-7, 2007-5 I.R.B. 395, IR 2024-289; IRS Notice 2025-67

Further Reading

- [IRS Publication 590-B, Distributions from Individual Retirement Arrangements \(IRAs\)](#)
- [IRS Retirement Plans- IRA FAQs-Distributions \(Withdrawals\)](#)
- [IRS Notice 2025-67](#)

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