

RMD & QCD Quick Reference

Background: Individuals aged at least 73-75 with retirement accounts may be required to take annual distributions from these accounts. Those wishing to contribute these funds to the campaign can request they be paid directly to the church to avoid paying any taxes on the distribution.

Key Definitions

RMD — Required Minimum Distribution

The minimum amount that must be withdrawn each year from certain retirement accounts once the account owner reaches the required age. These withdrawals are generally taxed as ordinary income.

QCD — Qualified Charitable Distribution

A direct transfer of funds from an IRA to a qualified nonprofit organization. The amount transferred is excluded from taxable income and can count toward satisfying an RMD once RMD age has been reached.

Key Rules at a Glance

Topic	Summary
When RMDs Begin	Age 73 for individuals born 1951–1959. Age 75 for those born 1960 or later.
Accounts Subject to RMDs	Various IRAs, 401(k)s, and 403(b)s.
Accounts Not Subject to RMDs	Roth IRAs during the original owner's lifetime.
QCD Eligibility Age	Individuals age 70½ or older may make a Qualified Charitable Distribution.
Annual QCD Limit	Up to \$105,000 per person per year can be transferred directly from an IRA to charity.

Other

- QCD gifts must be sent directly from the IRA custodian to the nonprofit. This can be done by contacting the custodian directly about making a QCD.
- Inherited IRAs RMDs apply to the age of the original owner, so RMDs may be required before someone turns 73-75.
- Tax or investment advisors should be consulted before making any decisions about making contributions from retirement accounts.
- QCDs can only be made from an IRA. Funds in a 401k would need to be rolled over to an IRA to make the contribution directly.