

DONATING DIRECTLY FROM YOUR INDIVIDUAL RETIREMENT ACCOUNT (IRA)

Many retirees no longer itemize deductions on their tax returns and are using the standard deduction. When using the standard deduction, Qualified Charitable Distributions (QCDs) may reduce your tax liability as well as offer an opportunity to support your favorite causes.

A Qualified Charitable Distribution allows individuals aged 70½ or older to donate directly from an eligible IRA to qualified charities without recognizing the distribution as taxable income. Once age 73 is reached, QCDs can also fulfill part or all of Required Minimum Distributions (RMDs).

There is no restriction on the number of charities that can be supported with QCDs provided they qualify under IRS guidelines. However, donations must go **directly** from your IRA to the charity to be considered a QCD. The QCD limit is subject to annual inflation adjustments. For 2025, QCDs are capped at \$108,000 per IRA owner.

Timing of QCDs is important to ensure that the QCD can offset your RMD.

Holly Springs Food Cupboard is not offering tax advice. Please consult your tax professional concerning your specific tax situation before modifying your retirement income strategy.

Holly Springs Food Cupboard is a 501(c)(3) organization. Financial information about this organization and a copy of its license are available from the State Solicitation Licensing Branch at 919-814-5400. The license is not an endorsement by the State.