

How to Make

Q. What is an IRA Qualified Charitable Distribution and who is eligible to use it?

A. A qualified charitable distribution (QCD) is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or older that is paid directly from the IRA to a qualified charity. Through December 31, 2024, the amount that can be excluded from an IRA owner's reportable income is limited to a maximum amount (QCD maximum) of \$10,000 per taxpayer per year. Beginning in 2025, the QCD maximum will be indexed for inflation annually. The QCD maximum for an outright gift in 2024 is \$10,000.

Q. If I have inherited an IRA, can I take advantage of the tax-

Q. My spouse also supports Bowdoin. Can we both take advantage of the IRA QCD?

A. Yes. The amount that can be excluded from income is limited to any amount up to the QCD maximum of \$105,000 per taxpayer per year through calendar year 2024 with the QCD maximum being adjusted for inflation annually thereafter. The QCD maximum for calendar year 2025 is \$108,000. As a married couple, each of you can donate up to the QCD maximum each tax year, provided that you each own at least one IRA and have reached age 70½.

Q. Do I have to pay state or local taxes on my IRA QCD?

A. You may – states and municipalities differ on whether you need to include the qualified charitable distribution in your taxable income. See Reg. 1.170(e)-2(g)(1)(A)(i).

Q. Can my IRA QCD be used with a corporate matching gift?

A. Possibly. Each corporate matching gift program is different. You should check with your matching gift program.

Q. How do I get proof of my QCD gift and how do I capture the gift on my tax return?

A. You will receive a 1099-R from your IRA plan administrator reporting the gross withdrawal.