

# Qualified Charitable Distributions | 2025

## WHAT IS A QCD?

A Qualified Charitable Distribution (QCD) is a direct transfer of funds from an individual's IRA (Individual Retirement Account) to a qualified charity. QCDs allow individuals to manage required minimum distributions (RMDs) from an IRA while supporting charitable causes in a tax-efficient way.<sup>1</sup>

## HOW DOES A QCD WORK?

Individuals aged 70½ or older can make tax-free charitable donations through a QCD, which allows them to exclude the distribution from their taxable income.

- The annual limit for QCDs increases with inflation by \$5,000 each year.
- For 2025, individuals can contribute up to \$105,000.

For those 73 and older, QCDs also count towards the required minimum distribution for the year. However, the QCD must be completed by the annual RMD deadline, typically December 31.

## HOW ARE QCDs MADE?

To make a QCD, individuals must select the charity (an IRS-recognized 501(c)(3)), specify the amount, and authorize the IRA custodian to transfer funds directly to the organization. The funds do not pass through the individual's hands, ensuring compliance with QCD guidelines.

## WHAT IS ALLOWED?

	Allowed	Not Allowed
	Donations to registered 501(c)(3) IRS-recognized organizations	Contributions to Donor-Advised Funds, Private Foundations, Supporting Organizations
	Donations up to \$105,000 for an individual or \$210,000 per married couple	Donations exceeding \$105,000/individual or \$210,000/married couple, or receiving goods/services in exchange for the QCD

## BENEFITS OF A QCD



**Avoiding an IRAs Required Minimum Distribution when the income is not wanted or needed**



**Making a larger charitable contribution than one would otherwise**

<sup>1</sup> <https://www.irs.gov/newsroom/give-more-tax-free-eligible-ira-owners-can-donate-up-to-105000-to-charity-in-2024>

The Internal Revenue Service reminds individual retirement arrangement (IRA) owners age 70½ and older that they can make up to \$105,000 in tax-free charitable donations during 2024 through qualified charitable distributions. That's up from \$100,000 in past years. For those age 73 or older, qualified charitable distributions (QCDs) also count toward the year's required minimum distribution (RMD).

*The tax and foundation planning information offered is general in nature. It is provided for informational purposes only and should not be construed as tax or legal advice. You are encouraged to consult an attorney or tax professional regarding your specific tax and legal situation.*