

As the year winds to a close, your chance to lower your 2024 tax bill also winds down. Certain taxpayers may be able to make qualified charitable distributions (QCDs) using an IRA withdrawal to reduce their taxable incomes and, at the same time, fulfill a few other goals. To be eligible, you must be at least 70 ½ and own or be the beneficiary of an IRA. A QCD must be transferred directly from your custodian to an [IRS-approved charity](#).

## How a QCD works

If you're eligible, you can use the funds in your IRA to donate up to \$100,000 (indexed annually for inflation) to an IRS-approved charity directly from your IRA. If you're married and file jointly and your spouse meets the age requirement, you can donate up to \$200,000. If applicable, such a donation may fulfill your annual required minimum distributions, and all rules are met.

A QCD can't be claimed as part of your charitable contribution deductions. However, the amount of your QCD is removed from your taxable income, which may preserve your eligibility for other tax breaks. Also, as an eligible IRA owner, you can make a QCD whether or not you itemize deductions on your Schedule A. You may find that taking the standard deduction works better for your overall tax-reducing strategy.

Typically, distributions from a traditional IRA are taxable when received. To ensure your QCD becomes tax-free, it must be paid directly from an IRA custodian or trustee to an IRS-approved charity.

## Don't take chances.

Contact your [trusted ORRPC advisor](#) to nail down the details.