Fidelity.com

Qualified Charitable Distributions (QCDs)

When planning your IRA withdrawal strategy, you may want to consider making charitable donations through a QCD.

Feedback

A QCD is a direct transfer of funds from your IRA custodian, payable to a qualified charity. QCDs can be counted toward satisfying your required minimum distributions (RMDs) for the year, as long as certain rules are met.

In addition to the benefits of giving to charity, a QCD excludes the amount donated from taxable income, which is unlike regular withdrawals from an IRA. Keeping your taxable income lower may reduce the impact to certain tax credits and deductions, including Social Security and Medicare.

Also, QCDs don't require that you itemize, which due to the recent tax law changes, means you may decide to take advantage of the higher standard deduction, but still use a QCD for charitable giving.

Can I make a QCD?

While many IRAs are eligible for QCDs—Traditional, Rollover, Inherited, SEP (inactive plans only), and SIMPLE (inactive plans only)* —there are requirements:

- You must be 70½ or older to be eligible to make a QCD.
- QCDs are limited to the amount that would otherwise be taxed as ordinary income. This excludes non-deductible contributions.
- The maximum annual QCD amount is $105,000 (index adjusted annually). This applies to the sum of QCDs made to one or more charities in a calendar year. (If, however, you file taxes jointly, your spouse can also make a QCD from his or her own IRA within the same tax year for up to $105,000.)
- For a QCD to count towards your current year's RMD, the funds must come out of your IRA by your RMD deadline, generally December 31.
- Contributing to an IRA may result in a reduction of the QCD amount you can deduct. (The aggregate amount of deductible IRA contributions you make to your IRA after you turn 70 1/2 will reduce the amount of the QCD that is not includible in your gross income.)

Any amount donated above your RMD does not count toward satisfying a future year's RMD.

Funds distributed directly to you, the IRA owner, and which you then give to charity do not qualify as a QCD.

Under certain circumstances, a QCD may be made from a Roth IRA. Roth IRAs are not subject to RMDs during your lifetime, and distributions are generally tax-free. Consult a tax advisor to determine if making a QCD from a Roth is appropriate for your situation.

What kind of charities qualify?

The charity must be a 501(c)(3) organization, eligible to receive tax-deductible contributions.

Some charities **may not** qualify for QCDs. Consult a tax advisor or the charity for its applicability.

- Private foundations
- Supporting organizations: i.e., charities carrying out exempt purposes by supporting other exempt organizations, usually other public charities
- Donor-advised funds, which public charities manage on behalf of organizations, families, or individuals
- Beginning in 2023, a QCD may be taken to fund a Charitable Remainder UniTrust, Charitable Remainder Annuity Trust, or Charitable Gift Annuity up to a maximum one-time amount of $50,000.

Tax reporting

A QCD is reported as a normal distribution on IRS Form 1099-R for any non-Inherited IRAs. For Inherited IRAs or Inherited Roth IRAs, the QCD will be reported as a death distribution. Itemization is not required to make a QCD. While the QCD amount is not taxed, you may not then claim the distribution as a charitable tax deduction.

A QCD is not subject to withholding. State tax rules may vary, so for guidance, consult a tax advisor.

When making a QCD, you must receive the same type of acknowledgement of the donation that you would need to claim a deduction for a charitable contribution.

A tax advisor can help you determine if both your IRA and charity qualify for QCDs.

Make a QCD

Transfer money from your IRA to an eligible charity.

See your estimated RMD

Let us help you take the guesswork out of managing your RMDs.

Tax filing for QCDs

Learn more about how QCDs can affect your taxable income.

Questions?

800-343-3548

Chat with a representative

Find an Investor Center

* Per the IRS, a SEP or SIMPLE IRA is considered active if it has been maintained under an employer arrangement under which an employer contribution is made for the plan year ending with or within the IRA owner's taxable year in which charitable contribution would be made.

Investing involves risk, including risk of loss.

Fidelity does not provide legal or tax advice. The information herein is general in nature and should not be considered legal or tax advice. Consult an attorney or tax professional regarding your specific situation.

761825.8.1

Careers News Releases About Fidelity International

Terms of Use Privacy Security Site Map Accessibility Contact Us Share Your Screen Disclosures

This is for persons in the US only.

Stay Connected

Locate an Investor Center by ZIP Code

Search

Feedback