



Donate directly from your Individual Retirement Account (IRA) for tax benefits and higher charitable impact, quickly and easily.

Why Qualified Charitable Distributions might be for you

If you're over 70½ years old or older, making a Qualified Charitable Distribution (QCD) is a great option to lower your income taxes while doing good for others. QCDs count toward your Required Minimum Distribution (up to \$100,000), effectively lowering your adjusted gross income and bringing about many tax benefits.

Why Give to Friends of the Hennepin County Library?

Friends of the Hennepin County Library is the fundraising partner of Hennepin County Library with a **mission** to build awareness, appreciation, and financial support for our world-class library. Your donation will support **youth development, community outreach, local library equity funding** and expanding our library's **expansive collection**.

What is a Qualified Charitable Distribution?

When individuals take distributions from their IRAs, it usually counts as income for tax purposes. QCDs, also called **IRA Charitable Rollovers**, are an exception. Individuals 70½ year of age or older can distribute up to \$100,000 each year from their IRAs to their favorite 501(c)(3) organizations without counting the distribution as income. Go to the IRS website for [additional useful information on QCDs](#).

What is a Required Minimum Distribution?

The Required Minimum Distribution (RMD) is the smallest amount certain individuals must distribute from their IRA each year. The penalty for missing an RMD is 50% of the amount that was supposed to have been distributed.

Whether you are subject to the RMD depends on your age. Individuals are subject to the RMD if they either (i) were at least 70½ years old at any point in 2019, or (ii) are currently 72 years old or older. Go to the IRS website for [additional useful information on RMDs](#).

A brief guide to Qualified Charitable Distributions

What are Qualified Charitable Distributions?

Qualified Charitable Distributions (QCDs) are funds from your Individual Retirement Account (IRA) that can be donated to a qualified nonprofit organization without first recognizing it as income. QCDs are also sometimes referred to as **IRA Charitable Rollovers**. Up to \$100,000 in IRA funds can be counted as QCDs annually, or \$200,000 for married couples.

Who is eligible?

If you are above the age of 70.5 and have a Traditional IRA, you are eligible to make a QCD.

What are the benefits?

QCDs reduce your taxable income

Normally, funds that are withdrawn from a Traditional IRA count toward your annual income, which will increase your overall tax burden. In some cases, this increase may also move you into a higher tax bracket.

However, QCDs are an exception to this rule—funds go directly from your IRA to your chosen charitable organization without needing to be withdrawn, thereby helping you avoid higher income taxes.

QCDs satisfy Required Minimum Distributions

Required Minimum Distributions (RMDs) are amounts that you must withdraw annually from your Traditional IRA once you reach a certain age. As of Jan. 1, 2020, this age is 72.*

If you do not withdraw your RMD, you will face a penalty tax of 50% of the required withdrawal amount. QCDs can be used to meet this RMD requirement and avoid penalties.

*If you were at least 70.5 years old before Jan 1, 2020, you are still required to take out your RMD, even if you are not yet 72. [Read more about RMDs on the IRS website](#)

QCDs maximize your charitable impact

Because QCDs do not need to be recognized as income, charitable organizations receive the full amount of the transfer tax-free. It's a win-win situation that both supports you and the causes you care about.

Have questions about making a QCDs from your IRA? We're happy to help!

Phil Edwards, *Donor Relations Officer*

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