

IRA QUALIFIED CHARITABLE DISTRIBUTIONS

If you have a tax-deferred individual retirement account (IRA) and you are age 70 ½ or older, the IRS allows you to distribute up to \$108,000 annually from your IRA to charity. The IRS refers to these nontaxable distributions as qualified charitable distributions, or QCDs. While the IRS has strict limits on QCDs, Greater Horizons has some options you can consider.

Designated Fund

If you plan to support one specific charity with your QCD, you can create a designated fund to receive the distribution. You may wish to stagger your donation to the charity over multiple years, rather than making the donation in one lump sum. Setting up a designated fund to receive the distribution gives you the freedom to donate to the charity on your timeline. You can set up additional designated funds if you wish to support more than one charity.

Scholarship Fund

If you want to support education with your QCD, you can establish a scholarship fund to receive the distribution. You can set the award criteria and serve on a selection committee to choose the scholarship recipients. Greater Horizons promotes the scholarship opportunity, accepts applications, verifies students' eligibility and processes scholarship payments. The minimum amount required to open a scholarship fund is \$100,000.

Assets held in designated funds and scholarship funds are invested, and the growth is tax-free. You choose how your fund is invested, whether it is in Greater Horizons' investment pools or with your financial advisor.

Donor-advised funds are not eligible for QCDs, but donations to donor-advised funds are tax deductible, so we suggest working with your financial advisor or tax consultant to determine the best option for your situation.

To learn more, contact us at info@greaterhorizons.org or 866.719.7886.

Greater Horizons does not provide tax, legal or accounting advice. This is for informational purposes only.