**The IRA Qualified Charitable Distribution**

**Frequently Asked Questions**

***Q: What is the Qualified Charitable Distribution?***

A: The charitable IRA rollover, or qualified charitable distribution (QCD), is a special provision allowing donors age 70 ½ and older to exclude from taxable income – and count toward their required minimum distribution (RMD) – certain transfers of Individual Retirement Account (IRA) assets that are made directly to nonprofits, including Just in Time for Foster Youth.

***Q. Saving taxes on distributions from my IRA sounds amazing! How do I know if I qualify?***

A. Starting at age 70 ½, anyone who has an IRA may make a gift of any amount up to $100,000 from their account without paying any income tax on the distribution.

***Q: Can my gift amount be counted toward my Required Minimum Distribution?***

A. In years when an RMD is required, gifts from IRAs may also be credited toward your minimum distribution requirement.

***Q. If I make a gift from my IRA, may my spouse also make gifts?***

A. Couples with separately held IRAs may each contribute up to $100,000 for a total of up to $200,000. Of course, any amount will make a wonderful impact!

***Q. May I make gifts to more than one nonprofit?***

A. Yes! As long as the total does not exceed $100,000 or your total RMD amount for the year (whichever is less), you may divide that among as many organizations as you wish.

***Q. How do I make the distribution?***

A. In order to avoid paying income tax on these distributions, your gifts must come directly from your IRA to Just in Time. Check with your IRA plan provider or your Financial Advisor to find out how to request a charitable distribution – in most cases it will be as simple as filling out a form online or making a phone call.

***Q. When should I make an IRA rollover gift?***

A. Any time! As long as you make the distribution directly to the nonprofit(s) and have not already received your RMD for the year, you may elect to utilize the Qualified Charitable Distribution option to satisfy your required minimum distribution and realize the tax savings.

***Q. Do I have to pay State or Federal income tax on my distribution?***

A. If you are a California resident, your gifts are exempt from both Federal and State income tax. Other states may vary – please check with your tax advisor.

***Q. I no longer itemize my taxes. May I still take advantage of this opportunity?***

A. Yes – because the distribution will be reported as non-taxable income, it has no impact on whether you will itemize your tax return. In fact, this is an incredibly effective and easy way for non-itemizers to receive a charitable deduction regardless of their income or reporting status.

***Q. I’ve made some big gifts this year and have already “maxed out” my charitable* deductions (the IRS allows deductions for charitable gifts up to 60% of adjusted gross income). Have I missed out on this opportunity?**

A. No. The IRA Rollover is separate from the standard charitable deduction, so you may utilize both options for maximum tax benefits.

***Q: I still have more questions about how this works. What should I do?***

A. Check with your tax or financial advisor for assistance – they will be able to offer you answers that are specific to your situation.

**For more information about other ways to support Just in Time, please contact   
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