



IT'S ALWAYS A GREAT DAY TO MAKE A  
**DIFFERENCE**

## ACHIEVING TAX SAVINGS WHILE GIVING CHARITABLY USING YOUR IRA REQUIRED MINIMUM DISTRIBUTION

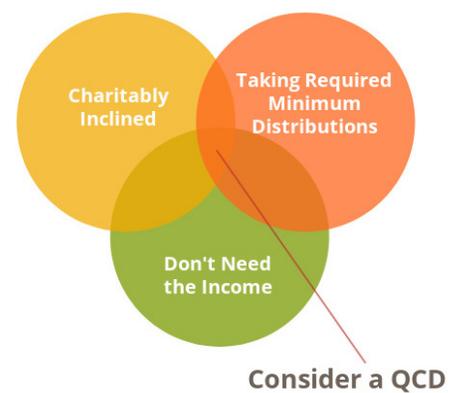
If you are 73 or older, under current IRS rules, you are required to take a “required minimum distribution” or “RMD” each year from your IRA. That distribution is subject to ordinary income tax, which most people know. But because that RMD becomes part of your taxable income, it may be costing you more than you think.

Not only can a distribution from your IRA bump you into a higher tax bracket, but it could also reduce your eligibility for certain tax credits and deductions. Your taxable income drives the extent to which your Social Security benefits are taxed, for example, as well as the amount of your Medicare premiums. It also determines whether your investment income will be subject to the 3.8% “NIIT,” or Net Investment Income Tax.

For the charitably minded person or even the person who finds that they don’t need that extra income and doesn’t want to pay all the tax and other “gotchas” that come with it, there is a solution: the Qualified Charitable Distribution, or “QCD.” Anyone over the age of 70 ½ (even though RMDs don’t have to begin until age 73) can have up to \$108,000\* distributed directly from their IRA to a qualified charity.

With 2025 standard deductions of \$15,000 for single filers and \$30,000 for MFJ filers and an additional standard deduction of up to \$2,000 per person for those over 65, there’s one more factor to consider. If you plan to use the standard deduction, you can’t itemize your deductions. That means there’s absolutely no tax benefit to your charitable contributions unless you itemize. Giving through a QCD allows you to give charitably up to \$108,000\* each year and still potentially receive the full benefit of the standard deduction.

Here is the fine print. The check must be made payable to the charity. Having the check made payable to you then you writing the check to the charity doesn’t work. You can have the check made payable to the charity and mailed to you so you can deliver it, but if the check is made payable to you, the distribution is not a QCD, and it is taxable income to you. If you think it’s just a wash, go back and reread the second paragraph. Also, if you’re over 73, be careful to make your QCD before any other distributions in the same year, as the first dollars you take out of your IRA are considered RMD under the “first-dollars-out rule.” Better yet, talk to your financial



The rules don't allow QCDs to be made to private foundations or to donor advised funds. However, they can be made to other types of funds at Cobb Community Foundation, such as a Designated, Field-of-Interest (FOI), Scholarship, or Unrestricted Fund which may be what best suits your interests anyway. One consideration may be the Cobb Unrestricted Community Fund which was established to address the most pressing needs in our community and support the creation of innovative, transformative solutions, or any of over 50 Agency funds held for nonprofits.

Here is the information you will need to make a Qualified Charitable Distribution from your IRA to a fund at Cobb Community Foundation.

Name of Qualified Charity: Cobb Community Foundation  
For: [Name of Fund]\*\*  
EIN: 20-5652970  
Mailing Address: 1100 Circle 75 Parkway  
Suite 1000  
Atlanta, GA 30339

Cobb Community Foundation would be delighted to help you figure out how to maximize your charitable impact. Please call us at 770-859-2366 .

*\*As a result of the SECURE Act 2.0, the annual IRA QCD limit of \$100,000 is indexed for inflation effective for tax years after 2023.*

*\*\*As a reminder, the fund cannot be a Donor Advised Fund.*

*This material is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.*