



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.

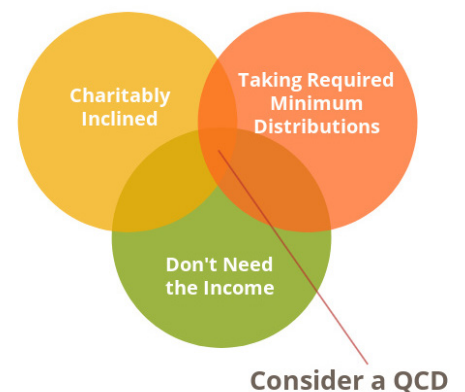
Not only can a distribution from your IRA bump you into a higher tax bracket, but it could also reduce your eligibility for certain tax credits and deductions. Your taxable income drives the extent to which your Social Security benefits are taxed, for example, as well as the amount of your Medicare premiums.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

For the charitably minded person or even the person—or anyone who doesn’t need the additional income and wants to avoid the tax impact—there is a solution: the Qualified Charitable Distribution, or “QCD.” Anyone over the age of 70 ½ or older can have up to \$110,000 (2026)* distributed directly from their IRA to a qualified charity.

With standard deductions continuing to adjust for inflation (for 2026, estimated at approximately \$15,300 for single filers and \$30,600 for married filing jointly, with additional amounts for those over 65), many taxpayers take the standard deduction rather than itemizing. This means there may be no additional tax benefit for charitable contributions made outside of a QCD. Giving through a QCD allows you to contribute up to \$110,000 annually* while still potentially receiving the full benefit of the standard deduction—and it may also preserve the enhanced senior standard deduction by keeping your adjusted gross income lower.

New considerations under OBBBA 2025 further strengthen the case for QCDs:

- For taxpayers in the highest tax bracket, QCDs avoid the impact of itemized deduction limitations, which can reduce the value of charitable deductions.
- QCDs also bypass the 0.5% AGI floor applied to charitable deductions, allowing the full amount of your gift to provide tax benefit.



· Because QCDs are excluded from income rather than deducted, they can deliver greater after-tax impact than itemized giving.

Here is the fine print. The check must be made payable directly to the charity. Having the check made payable to you and then writing a check to the charity does not qualify. You may have the check mailed to you for delivery, but it must be payable to the charity to avoid being treated as taxable income.

If you are subject to RMDs, be sure to complete your QCD before taking other distributions in the same year, as the first dollars withdrawn from your IRA are considered to satisfy your RMD under IRS ordering rules.

Also note: QCDs cannot be made to private foundations or donor-advised funds. However, they may be directed to other fund types at Cobb Community Foundation, including Designated, Field-of-Interest, Scholarship, Unrestricted, and Agency Funds that support specific nonprofits, as well as the Cobb Community Grantmaking Fund, which addresses the most pressing needs in our community, the CCF Catalyst Fund, and the Match Magic annual campaign, which raises support for Cobb nonprofits.

To make a Qualified Charitable Distribution 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 maximize your charitable impact. Please call 770-859-2366 or visit CobbFoundation.org.

*The IRA QCD limit is indexed annually for inflation under SECURE Act 2.0.

**QCDs cannot be directed to Donor Advised Funds.

This material is provided for informational purposes only. It is not intended as legal, tax, or financial planning advice. Please consult your advisor.