

GIFTS OF QUALIFIED CHARITABLE DISTRIBUTIONS

If you are 70½ or older, required minimum distributions from your IRA can be used to create a charitable fund to support your favorite charities at InFaith Community Foundation. You can also use qualified charitable distributions, often referred to as a “QCD” to pay premiums on a gift of life insurance that supports your favorite charities through a significant gift upon death.

WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

- The “IRA charitable rollover” provides an annual exclusion from gross income up to \$100,000 for QCDs from an IRA.
- Donors age 70½ and older can transfer up to \$100,000 from their IRAs to qualifying charities, such as InFaith, each year.
- The amount transferred can be used to meet the donor’s required minimum distribution.

TAX ADVANTAGES OF GIVING QUALIFIED CHARITABLE DISTRIBUTIONS

- The amount directed to InFaith is not included in your adjusted gross income (AGI).
- Giving these assets to InFaith, versus taking required minimum distributions (RMDs) into income, may enable you to avoid certain disadvantages that can come with a higher AGI, such as higher Medicare premiums, self-employment or Social Security taxes, etc.
- There is no income tax due from you on the IRA distributions to InFaith.
- As QCDs are not subject to percentage limitations on charitable deductions, they offer an ideal strategy to those who have either exceeded maximum charitable deductions or do not itemize deductions.

GIVING OPPORTUNITIES THROUGH INFALTH

Create a Charitable Fund with Automatic Annual Grants (Non-Advised). Use your QCDs to create a charitable fund (non-advised) at InFaith, and select favorite charities to receive annual grants, either for a term-of-years or in perpetuity. Your charitable recommendations remain in place for the life of your charitable fund.

Make a Gift of Life Insurance. QCDs can also be used to make a significant charitable gift upon death using life insurance. Your QCDs pay ongoing premium payments to a life insurance contract that names InFaith as owner and beneficiary. Proceeds from this life insurance contract are directed to your InFaith charitable fund to support one or more of your favorite charities (see description of charitable fund above).

HOW IT WORKS



QCDs can also be used to make charitable gifts to endowment funds at InFaith and InFaith Collaborative Funds.

LEARN MORE

Contact an InFaith gift planner with any questions or to explore giving options. Call 800.365.4172 or visit inFaithFound.org.

continued on back

MORE ABOUT QUALIFIED CHARITABLE DISTRIBUTIONS

- Only IRA distributions qualify. SEPs, SIMPLE plans, 403(b), 401(k), profit-sharing plans and pension plans are not eligible.
- Distributions must be made directly to the charity (InFaith) from the plan administrator.
- The IRA owner must be at least 70½ on date of distribution.
- There's a limit of \$100,000 per individual per year.
- Because the distribution is not counted as part of your adjusted gross income, there is no charitable deduction on federal income tax returns.
- Gifts of QCDs cannot be used to establish a charitable gift annuity or charitable remainder trust.
- State income tax treatment may vary from federal law.

MORE ABOUT CHARITABLE FUNDS CREATED WITH QCDs

You can support one or more of your favorite charities by creating a non-advised charitable fund with QCDs:

- Name any IRS-recognized charities to receive automatic annual grants for a term of years or in perpetuity. You can also request how these charities are to use these grants, e.g., youth or music programs.
- Should a charity lose its tax-exempt status, grant support from your charitable fund will be reallocated among remaining charities. You can also name a contingent charity or an InFaith Collaborative Funds to receive support should all named charities cease to qualify.
- Grants can be made in your fund's name, in honor or memory of a loved one, or anonymously if you choose. In order to take advantage of the QCD, you may not maintain any advisory capacity over the fund once it is established. (i.e., you may not add or remove selected charities, or change the distribution plan.)

Gift Minimum: \$5,000 per named charity

DONOR STORIES

The Donor. A woman in her 70s, wanted to provide permanent support to her church using QCDs. She did not need IRA income, but was required to take minimum distributions, which would put her into a higher tax-bracket and require payment of income taxes.

Her Gift. The donor created a Charitable Fund (Non-Advised) with a \$100,000 QCD each year for two years. InFaith now makes annual grant distributions to her church that will continue for the donor's lifetime, and continue the support long after she's gone.

The Donor. A man in his mid-70s wanted to support favorite charities upon death and take advantage of the QCD opportunity. He was concerned required minimum distributions from his IRA would increase his adjusted gross income and affect Medicare premiums and Social Security taxes.

His Gift. The donor created his custom charitable fund (non-advised) with a gift of an existing life insurance contract he no longer needed. He made InFaith owner and beneficiary of the contract and makes QCD gifts annually to InFaith to cover pay premium payments. Upon his death, proceeds from this life insurance contract will be directed to his charitable fund, which will make annual grant distributions to his named charities for 10 years and then close.



Spreading Joy. Changing Lives.®

InFaith Community Foundation is a national charity with a mission to serve donors, spread joy and change lives. Through InFaith, giving is customized to each donor's charitable interests and financial circumstances. InFaith is a proven steward of these gifts, earning consistently high ratings from Charity Navigator and GuideStar for sound fiscal management, transparency and commitment to excellence. Together with donors, InFaith grants millions of dollars annually to charities serving local, national and global communities. To learn more, visit inFaithFound.org.

WE OFFER

- Donor advised funds, collaborative funds and organizational endowments
- Breadth of giving options, including cash, stock, real estate, bequests, beneficiary proceeds, life insurance, charitable gift annuities, charitable remainder trusts and qualified charitable distributions
- Flexibility to give to any charity
- Maximum tax benefits based on when and how you give
- Donor-centered services and online access
- Mission-based investment options for charitable assets
- Non-advised charitable funds

