

GIFTS OF QUALIFIED CHARITABLE DISTRIBUTIONS

If you're 70½ or older, you can use your IRA assets to create a charitable fund that supports your favorite charities through InFaith Community Foundation. This can be accomplished through qualified charitable distributions, often referred to as "QCDs". You can also use QCDs to pay premiums on a gift of life insurance to support your favorite charities upon death.

WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

- A QCD is the direct transfer of assets from your IRA, payable to a qualifying charity such as InFaith Community Foundation.
- Donors age 70½ and older can transfer up to \$100,000 annually from their IRAs to qualifying charities.
- The amount transferred can be used to meet required minimum distributions from an IRA.

TAX ADVANTAGES OF GIVING QUALIFIED CHARITABLE DISTRIBUTIONS

- The QCD 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.

HOW IT WORKS



GIVING OPPORTUNITIES THROUGH INFAlTH

Create a Charitable Fund with Automatic Annual Grants (also referred to as a Non-Advised Fund).

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. (Due to federal tax codes on QCDs, you may not add or remove benefiting charities or change the distribution plan).

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).

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

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.

Her Gift. The donor created a charitable fund (non-advised) with a \$100,000 QCD each year for two years. Her fund will make annual grant distributions to her church in perpetuity.

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

His Gift. The donor created a 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 uses QCDs to make 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.

Charitable giving can result in significant tax, legal and financial consequences. InFaith Community Foundation does not provide accounting or tax advice. Consult with your attorney or tax professional.



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, giving circles, collaborative funds and organizational endowments.
- Full range of giving options, from simple to complex.
- Flexibility to give to any charity.
- Maximum tax benefits based on when and how charitable gifts are made.
- Donor-centered services including online access and family and women's giving resources.
- Mission-based investments for charitable assets.

