

## HOW TO MAKE A QUALIFIED CHARITABLE DISTRIBUTION FROM YOUR IRA TO PDCC

If you are at least 70½ years old, you are eligible to make a Qualified Charitable Distribution (QCD) from a traditional or Roth IRA. A QCD can provide a more tax-efficient way for you to make your 2018 charitable contributions.

### KNOW the details

- You must be **at least 70½ years old** on the date of the distribution to charity.
- Distributions must be made **only from an IRA**. Distributions from any other type of retirement plan (401(k), 403(b), 457, SEP, Keogh, etc.) will not qualify.
- QCD distributions are limited to **\$100,000 in total** during each year.
- Each distribution will count toward your **required minimum distribution (RMD)** but will be **excluded from federal taxable income**. A distribution will not increase taxable income and may eliminate the negative impact of “high income” tax penalties. Because the QCD distribution is not taxable income, you cannot claim a deduction for federal tax purposes. Some states may treat distributions as income followed by a deduction. Please check with your tax advisor to learn more.
- A distribution must be made **outright to a qualified public charity** – it cannot be used to fund a charitable remainder trust, gift annuity, donor advised fund, or family foundation.
- Your plan administrator **must transfer the funds directly** – you may not receive the distribution first and then transfer it to the charity.
- The distribution **must be received** by the charity on or **before December 31, 2018**, to be counted in the 2018 tax year.

For a more complete description of the IRS regulations, please see the most recent version of Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs) at <https://www.irs.gov/publications>.

### QCD Donor Toolkit

The QCD Toolkit includes two sample letters you can download to help you make a QCD gift to the Peace Dale Congregational Church.

**Letter 1** directs your IRA plan administrator to make a distribution from your IRA account to **PDCC**. Please note that you must include a **federal tax ID number** with your distribution request.

**Letter 2** notifies PDCC to expect the QCD from your IRA and specifies how you want your gift to be used.

## **Support your passion!**

You may contribute your QCD gift to Peace Dale Congregational Church endowment or any of its programs. For a distribution to PDCC, please designate tax ID. (Please call Mary Louise McMillan or Rachel Sheldon for this number.)

You may further designate your gift for either unrestricted or restricted use. If you wish to restrict your QCD to support a particular program or priority, we recommend you contact PDCC first to review your intended provisions so we can be certain we can carry out your wishes. Mary Louise McMillan is the contact for this discussion.

You may choose two or more beneficiaries by assigning a percentage of your total gift to each.

Please contact the Office with any questions.

# 1. Sample letter to your plan administrator or custodian

Date

IRA Custodian/Administrator

Re: ACCOUNT NUMBER: Request for Qualified Charitable Distribution from IRA

Dear Sir or Madam:

Please accept this letter as my request to make a Qualified Charitable Distribution from my Individual Retirement Account # \_\_\_\_\_ under Section 1201 of the Pension Protection Act of 2006, as extended by the Protecting Americans from Tax Hikes (PATH) Act of 2015, and Sec. 408(d)(8) of the Internal Revenue Code of 1986, as amended.

Please issue a check in the amount of \_\_\_\_\_ **Dollars (\$\_\_\_\_\_)** payable to **Peace Dale Congregational Church** and mail it to the following address for **receipt** on or before December 31, 2018:

Peace Dale Congregational Church  
261 Columbia Street  
Peace Dale, RI 02879

In your transmittal to **Peace Dale Congregational Church**, please memorialize my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal at the following address:

Name  
Address

I have confirmed with Peace Dale Congregational Church that it is a qualified recipient of distributions under the provisions noted and is neither a supporting organization under Section 509(a)(3) of the Internal Revenue Code nor a donor-advised fund.

If you have any questions or need to contact me, I can be reached at \_\_\_\_\_ .

Thank you for your assistance in this matter.

Sincerely,

Name

## 2. Sample notification letter for QCDs contributed to Peace Dale Congregational Church.

You may modify this letter if your QCD will be contributed to a specific program, the endowment or a specific fund. Please contact Mary Louise McMillan with any questions.

Date

**Peace Dale Congregational Church**

**261 Columbia Street**

**Peace Dale, RI 02879**

**Attn: Mary Louise McMillan, Operations Officer**

**(401) 789-7313**

Dear Ms. McMillan:

I am pleased to inform you that I have requested a Qualified Charitable Distribution from my Individual Retirement Account to benefit Peace Dale Congregational Church. [My gift is unrestricted, to be used by PDCC at its discretion for the greatest need] **OR** [My gift is to be applied for the benefit of name the specific program, fund, endowment).

You should soon receive a check in that amount of \$ \_\_\_\_\_ from my plan administrator, **Insert name of IRA administrator/custodian.**

It is my intent to comply with the requirements of Sec. 1201 of the Pension Protection Act of 2006, as extended by the Protecting Americans from Tax Hikes (PATH) Act of 2015, and Sec. 408(d)(8) of the Internal Revenue Code of 1986, as amended, in connection with this gift. Accordingly, upon your receipt of payment from my administrator, please send me a written acknowledgement that states the amount of my gift and that no goods or services were transferred to me in consideration for this gift.

Please let me know of any questions.

Sincerely,

Donor Name

Address

Telephone

Email

*Support your passion! You may designate your gift for the endowment, a church-wide priority, or a specific program. If you want to split your gift among two or more beneficiaries, we suggest that you allocate to each a percentage of your total gift.*

*Thank you for your gift.*

