

Qualified Charitable Distribution (QCD)

Overview

Qualified Charitable Distribution (QCD) allows IRA holders, age 70 ½ or older, to donate to a qualified charity from their Traditional or Roth IRA (including inherited) tax-free.

Requirements

- The donating IRA holder must have attained age 70 ½ on or before the date the QCD check is issued. If an inherited IRA, the beneficial owner must have attained age 70 ½ or older.
- The funds must be issued directly to a qualified charity from a Traditional or Roth IRA. Generally, a qualified charity includes: most public charities, including religious institutions, certain veterans' organizations, fraternal societies, and community foundations that provide scholarships. The charity also must be one to which deductible contributions may be made.
- The donor cannot receive any benefit from making a QCD and the QCD cannot be deposited by the charity into a donor advised fund.
- The amount cannot exceed \$100,000 annually, per donor. Consult your tax professional to determine the tax-free amount you can withdraw.
- Checks must be issued by December 31 in order to apply to the current calendar year. If a Money Market check is written, it will apply to the year in which it is cashed by the charity.

Best Practices/Steps

1. Consult your tax professional to ensure it is in your best interest to complete a QCD and your distribution qualifies.
2. Notify the charity they will be receiving a check from you and obtain the following important details:
 - How the check should be made payable
 - Mailing Address
 - Contact person responsible for issuing a receipt to you, upon receiving the funds
3. Contact your Edward Jones Financial Advisor to request the funds be issued from your Traditional or Roth IRA as a QCD. You will need to discuss liquidating securities if the account does not have cash and/or money market funds available.
4. Follow up with the receiving charity 7-10 business days after the check is issued. Verify they received the funds and have mailed a receipt to you.
5. After obtaining the receipt from the charity, mail a copy to your tax professional and keep the original with your permanent tax records.

Complete and Retain

If funds have been issued from your Traditional or Roth IRA and sent directly to a charity, following the Qualified Charitable Distribution (QCD) requirements, complete the information below and retain for your individual records. This does not replace the need to obtain a receipt from the receiving charity.

Traditional or Roth IRA Withdrawal for Qualified Charitable Distribution (QCD)

Edward Jones Account Owner: _____ Account #: _____

Qualified Charity: _____

Contact Person: _____ Telephone: _____ Ext. _____

Address: _____ City: _____ State: _____ Zip: _____

Check amount: _____ Date issued: _____

Date of receipt from charity: _____

Do not return to Edward Jones – keep with your permanent tax records

Edward Jones, its employees and financial advisors do not provide tax or legal advice. Clients should review this information with their tax advisor or legal professional for information regarding, or issues concerning the tax implications of the above information prior to acting on this information.