Here’s a special tax benefit you don’t want to miss!
When you turn 70-1/2 years old, you’re required to begin taking distributions from your IRA. If that is a “traditional” IRA, you have to pay income taxes on those proceeds. But, if you direct the distribution directly to a charity, like Marion Community Foundation, you won’t have to pay any taxes on that income — a savings of up to 37 percent!

So, instead of just writing a check this year for your charitable donation to Marion Community Foundation, simply direct your IRA RMD to the Foundation and you’ll be money ahead.

Qualified charitable distributions, or QCDs, allow donors who are at least 70-1/2 years old to give charities up to $100,000 a year directly from their IRAs without it counting as taxable income. You don’t need to be able to itemize your deductions to take advantage of this charitable benefit. And, QCDs count toward your required minimum distribution—the amount of money you must withdraw from your IRA each year after reaching age 72.

You don’t count a QCD gift as a charitable deduction on your federal taxes even if you itemize; instead, the QCD is a dollar-for-dollar reduction against income. That’s a win-win!

The distributions can’t go to donor advised funds or life-income gifts, such as charitable remainder trusts or gift annuities, but every other type of fund at Marion Community Foundation is allowable.

Donors may not receive anything in return for a QCD gift, such as a meal or event tickets, and the distribution must go directly to charity, not through your hands first. Your IRA custodian can provide you with the proper QCD form to make this distribution.

QCD gifts can be made only from IRAs. To give retirement assets in a 401(k) or other vehicles, donors must first roll those funds over into a qualified IRA; then, you can direct the fund administrator to transfer money to a charity.

State laws about charitable deductions and QCDs vary. Consult your legal or tax advisor.