

# Are you 72?

## Here's a special way to help!

### What is a Qualified Charitable Distribution?

A Qualified Charitable Distribution (QCD) allows you to shift tax dollars to charitable dollars and support music making through Iris Collective and receive key tax benefits simultaneously.

### How does it work?

Recent changes to the law require people who hold Individual Retirement Accounts (IRAs) to take Required Minimum Distributions (RMDs) each year beginning at age 72—even if you don't need or want the funds. That same RMD increases the IRA holder's total taxable income. Despite this change in the law, a QCD continues to allow taxpayers over age 70 ½ to donate to charities directly from their IRA, which would allow you to avoid federal income tax on this money while supporting Iris Collective.

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### Do I qualify to give a QCD?

You qualify if you are:

- At least 70 ½ years old
- Giving to a 501(c)(3) nonprofit organization
- The owner of an IRA
- Are at any income level—QCDs have tax benefits for low-, middle-, and high-income taxpayers.

### Why should I use a QCD?

- QCDs are tax-exempt
- Distributions aren't added to your income so you may qualify for lower Medicare premiums and Social Security tax rates
- They count toward your RMDs if you are 72 or older\*
- You don't have to change your will or trust
- The transactions are simple to record on your 1040 form
- Your gifts immediately support Iris Collective

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### What are the rules?

- Maximum Gift: \$100,000 per person each year (up to \$200,000 for married couples)
- Gifts must come from an IRA, not a 401(k)
- Funds must be transferred directly from the IRA to an eligible charity by the IRA trustee to qualify for the tax break. If you withdraw the money from your IRA and later donate it, it won't qualify as a tax-free qualified charitable distribution.

*Please consult with your tax or legal advisor about proceeding with your gift plan.*

*\*If you contribute to a traditional IRA and take a tax deduction, that contribution amount is excluded from the QCD that can be used to offset your RMD. Please consult your tax advisor to learn how this may affect you*