



Park Avenue Synagogue

*A Synagogue in Action:*  
Building the Future

## IRA Qualified Charitable Distributions

### IRA QUALIFIED CHARITABLE DISTRIBUTIONS

#### **What is a qualified charitable distribution (QCD)?**

A qualified charitable distribution (QCD) is an otherwise taxable distribution from an IRA (other than an ongoing SEP or SIMPLE IRA) owned by an individual who is age 70½ or over that is paid directly from the IRA to a qualified charity such as Park Avenue Synagogue. In this situation, a donor is able to save income taxes otherwise due on his/her required minimum distribution and PAS receives the donation.

#### **Can a qualified charitable distribution satisfy my required minimum distribution from an IRA?**

Yes, your qualified charitable distributions can satisfy all or part the amount of your required minimum distribution from your IRA. For example, if your 2016 required minimum distribution is \$10,000, and you made a \$5,000 qualified charitable distribution for 2016, you would have had to withdraw another \$5,000 to satisfy your 2016 required minimum distribution.

#### **Is there a maximum distribution I can make?**

The maximum annual exclusion for QCDs is \$100,000. Any QCD in excess of the \$100,000 exclusion limit is included in income as any other distribution. If you file a joint return, your spouse can also have a QCD and exclude up to \$100,000. The amount of the QCD is limited to the amount of the distribution that would otherwise be included in income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income.

#### **How are qualified charitable distributions reported on Form 1099-R?**

Charitable distributions are reported on Form 1099-R for the calendar year the distribution is made.

#### **How do I report a qualified charitable distribution on my income tax return?**

To report a qualified charitable distribution on your Form 1040 tax return, you generally report the full amount of the charitable distribution on the line for IRA distributions. On the line for the taxable amount, enter zero if the full amount was a qualified charitable distribution. Enter "QCD" next to this line. See the Form 1040 instructions for additional information. You must also file Form 8606, *Nondeductible IRAs*, if: you made the qualified charitable distribution from a traditional IRA in which you had basis and received a distribution from the IRA during the same year, other than the qualified charitable distribution; or the qualified charitable distribution was made from a Roth IRA.

For more information, please contact Laura Yamner, Director of Development, at [lyamner@pasyn.org](mailto:lyamner@pasyn.org) or 212-369-4900 x138. Park Avenue Synagogue is not a tax advisor and you should consult with your tax advisor before undertaking any transactions.