

Qualified Charitable Distributions (QCDs): Good news and important reminders



Qualified Charitable Distributions, or “QCDs,” have been in the news a lot lately, especially in light of [proposed SECURE Act 2.0 legislation](#) that [passed](#) the House of Representatives in March and is now pending in the [Senate](#).

Through a QCD, starting at age 70½, your client can instruct the administrator of an IRA to direct up to \$100,000 per year to a qualified charity. This helps your client’s tax situation because the client does not need to report the amount of the QCD as taxable income.

Here are four important reminders about QCDs:

- Even though the SECURE Act changed the Required Minimum Distribution (RMD) age to 72 from 70½, the QCD age is still 70½.
- QCDs cannot be made to donor-advised funds, but your client *can* set up a field-of-interest or unrestricted fund at the Chester County Community Foundation to receive a QCD.
- Under a version of the proposed SECURE Act 2.0 legislation, QCDs would be [indexed for inflation](#). In addition, proposed legislation would allow a client to make a one-time QCD of up to \$50,000 to a charitable remainder trust or other split-interest entity.
- Finally, be sure to help your clients coordinate their QCDs with their Required Minimum Distributions. Proper planning will help avoid troublesome [tax pitfalls](#).

Please reach out to the team at the Chester County Community Foundation to learn more about QCDs and how your client can establish a fund to support financial goals, tax goals, and charitable giving goals.

For more information, contact the Chester County Community Foundation:

Jason Arbacheski, CAP – Gift Planning & Stewardship Director – jason@chescofc.org

Karen Simmons – President/CEO – karen@chescofc.org

Beth Harper Briglia, CAP, CPA – Senior Philanthropic Advisor, of counsel – beth@chescofc.org

The team at the Chester County Community Foundation is a resource and sounding board as you serve your philanthropic clients. We understand the charitable side of the equation and are happy to serve as a secondary source as you manage the primary relationship with your clients. This newsletter is provided for informational purposes only. It is not intended as legal, accounting, or financial planning advice.