


Solutions for Giving from Your IRA


Did you know your retirement account could help fuel the causes you love? There are two creative ways to use a traditional Individual Retirement Account (IRA) to support the causes you care about while reducing taxes:


1. Contributing the required minimum distribution

Individuals, 70½ years of age or older, may use their IRA's required minimum distribution (RMD) for charitable giving, which is called the qualified charitable distribution (QCD). Because QCDs are not considered taxable income, this option transfers all or a portion of the RMD directly to a specific charity or designated fund tax-free.

Key Benefits

+ 
Transfer up to \$100,000 annually from your IRA to a qualified charity or designated fund.

+ 
Give all or a portion of the required minimum distribution to satisfy the annual requirement.

+ 
Reduce taxable income, even if you are not itemizing deductions.

| Example | Without QCD | With QCD |
|---|-------------|-----------|
| Income before IRA | \$140,000 | \$140,000 |
| IRA Withdrawal (RMD) | \$10,000 | — |
| Adjusted Gross Income | \$150,000 | \$140,000 |
| Itemized Deduction | \$25,000 | \$25,000 |
| Taxable Income | \$125,000 | \$115,000 |
| Tax Savings by Utilizing QCD: \$2,400* | | |

**This assumes an ordinary income tax rate of 24%. This scenario is for illustration only.*

2. Designating your donor advised fund as the beneficiary of your IRA

The beneficiary of an IRA can be taxed significantly. By naming The Signatry as the beneficiary of your IRA, however, assets may pass tax-free to your donor advised fund (DAF). This may minimize taxes and allow other assets to pass to family members at a reduced tax rate.

Example

Samuel is a widower who is passionate about several ministries and wants to give from his estate upon his death. Samuel's estate consists of his IRA, stock in various businesses, and real estate. Samuel planned on leaving his IRA to his children, but his attorney – knowing how retirement assets are taxed – recommended that he give the appreciated stock and real estate to his children and gift the IRA to charity instead. Samuel took this advice and named his donor advised fund (DAF) at The Signatry as the beneficiary of his IRA. This will allow Samuel to provide for his favorite ministries and leave a lasting legacy, while limiting the tax burden to his children.

How to Get Started

Connect with our team by emailing donorcare@thesignatry.com or call [913.310.0279](tel:913.310.0279).