

QCD Season and RMDs
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Soon it will be August and soon it will be the RMD season. That is, it is the time many of your 70½ and older IRA accountholders are paid their RMD for 2013. Many times the RMD is moved by a pre-authorized transfer from their IRA to a savings or checking account. Or, a check is mailed.

Some of your 70½ IRA accountholders (and also inheriting beneficiaries) may want to make a QCD if they only knew and understood the applicable tax laws.

QCDs are authorized for 2013 as long as made by December 31, 2013. QCDs will apply to 2014 only if there is tax legislation enacted extending such rules to 2014/2015 and possibly subsequent years. Another extension of this law is not a sure thing. If the idea is to collect more tax revenues one does not want to extend the QCD rules.

Your local charities and other non-profits benefit when qualifying individuals make QCDs. The individual benefits also. A QCD is a tax-free distribution and it also counts as an RMD. Qualifying IRA accountholders are those age 70½ and older, including inheriting IRA beneficiaries age 70½ and older.

Your institution can benefit also. Earn some goodwill by informing your qualifying IRA accountholders that your institution is willing to help them make their QCDs.

CWF has a brochure explaining the QCD rules and benefits and also an administrative form which acts much like a transfer form. Remember that one of the critical rules is that the check must name the charity as the payee. There is no requirement by an IRA custodian to use the QCD administrative form. One uses the form for good administrative practices. The administrative form may be sent to the charity. Your institution may decide whether or not you would require the charity to sign it. The charity's signature is not required.

To order brochures or forms go to:
www.pension-specialists.com/orderforms/QCD_order_form.pdf