**Qualified Charitable Distributions**

**DID YOU KNOW THE GIFT OF A QUALIFIED CHARITABLE DISTRIBUTION (QCD) BENEFITS DONORS AGED 70½ AND UP?**

A Qualified Charitable Distribution (QCD) from your Individual Retirement Account (IRA) is an excellent way to support the **Emerald Coast Wildlife Refuge (ECWR) and receive tax benefits in return**.

Although Required Minimum Distributions (RMDs) are now required the year you reach age 72, you can still qualify for non-taxed QCDs from your IRAs (up to $100,000/year per taxpayer) the year you reach age **70½**. Directing QCDs from your IRA before the federal government requires you to take RMDs allows you to make tax free donations to the ECWR from your IRA and use your day-to-day “cash flows” for savings or other financial needs.

It’s important to consider your tax situation before deciding whether to make a charitable contribution from your IRA. Be sure to share this gift plan with your financial advisor.

**TO QUALIFY**

* You must be 70½ or older at the time of gift.
* Distributions must be made directly from a non-Roth IRA account by your IRA administrator to the **Emerald Coast Wildlife Refuge**.
* Gifts must be outright, meaning they go directly to the **Emerald Coast Wildlife Refuge**. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities do not qualify.
* Gifts from 401k, 403b, SEP and other plans do not qualify. Ask your financial advisor if it would make sense for you to create a traditional IRA account so you can benefit from an IRA Qualified Charitable Distribution.

**TAX BENEFITS**

* IRA Qualified Charitable Distributions are excluded as gross income for federal income tax purposes on your IRS Form 1040.
* The year you reach age 72 and must take RMDs, the gift counts toward your required distribution for the year in which you made the gift.
* You could avoid a higher tax bracket that might otherwise result from adding an RMD to your income.

**EXAMPLE**

John is 72 years old and wants to make a gift to the **Emerald Coast Wildlife Refuge**. He has $500,000 in his IRA and wants to gift $2,000. He can authorize the administrator of his IRA to distribute $2,000 to the **Emerald Coast Wildlife Refuge**. Because the IRA Qualified Charitable Distribution is excluded from income, John will not be eligible for a charitable income tax deduction — but he still receives tax savings. Since John has reached the age of 72, the $2,000 distributed to the **Emerald Coast Wildlife Refuge** will be counted toward his annual RMD and he will not pay income tax on the portion given to the organization.

**QUESTIONS AND ANSWERS**

**WHAT’S THE IRS RULE?**

The QCD allows individuals 70½ and older to make direct distributions up to $100,000 per year to 501(c)(3) charities without having to count the distributions as income for federal income tax purposes. No charitable deduction may be taken, but distributions will qualify for all or part of the IRA owner’s required minimum distributions once they reach age 72.

**WHO QUALIFIES?**

Individuals 70½ or older at the time of the contribution.

**HOW MUCH CAN I DISTRIBUTE?**

$100,000 per year--the distribution must be outright to charity.

**FROM WHAT ACCOUNTS CAN I MAKE TRANSFERS?**

Distributions must come from your IRAs directly to the **Emerald Coast Wildlife Refuge**. If you wish to help us with a QCD gift from another retirement asset such as a 401k, 403b, etc., you must first roll those funds into an IRA. Then you can direct the IRA administrator to distribute the funds from the IRA directly to **Emerald Coast Wildlife Refuge**.

**HOW WILL THE EMERALD COAST WILDLIFE REFUGE COUNT THE GIFT?**

We will give you full credit for the entire gift amount. You will also receive a letter, which states that the gift qualifies as a QCD to use for tax reporting purposes.

**WHAT ARE THE TAX IMPLICATIONS TO ME?**

* Federal -- You do not recognize the distribution to **Emerald Coast Wildlife Refuge** as income, provided it goes directly from the IRA administrator to us. Therefore, you are not entitled to an income tax charitable deduction for your gift—IF YOU ITEMIZE DEDUCTIONS.
* State -- Each state has different laws, so you will need to consult with your own advisors. Some states have a state income tax and will include this distribution as income. Within those states, some will allow for a state income tax charitable deduction and others will not. Other states base their income tax on the federal income or federal tax paid. Some states have no income tax at all.

**DOES THIS TRANSFER QUALIFY AS MY REQUIRED MINIMUM DISTRIBUTION?**

Yes. Once you reach 72, you are required to take required minimum distributions from your retirement plans each year according to a federal formula. QCDs count toward your minimum required distribution for the year in which you make the gift.

**CAN MY SPOUSE ALSO MAKE A QUALIFIED CHARITABLE DISTRIBUTION?**

Yes, every individual who is the owner of a traditional IRA can use the Qualified Charitable Distribution for up to $100,000 each year.

**HOW DO I KNOW IF A QUALIFIED CHARITABLE DISTRIBUTION IS RIGHT FOR ME?**

Share this information with your financial advisor. Our office can provide additional information. Call us. We would be delighted to help.

**WHAT IS THE PROCEDURE TO EXECUTE A QCD?**

We offer a sample letter (attached) you can send to your plan provider to initiate the distribution. Please tell your plan administrator this gift must be sent prior to December 31 to qualify as a charitable distribution for the tax year. If you have any questions regarding your online donation, please contact us directly at **850-684-1485** (ask to speak to the Executive Director) or email us at [**director@emeraldcoastwildliferefuge.org**](mailto:director@emeraldcoastwildliferefuge.org) when you direct the distribution so we can look for the check from your IRA administrator.

For more information, if you have any questions regarding your online donation, please contact us directly at **850-684-1485** (ask to speak to the Executive Director) or email us at [**director@emeraldcoastwildliferefuge.org**](mailto:director@emeraldcoastwildliferefuge.org).

**Important:** Be sure to check with your financial advisor to determine whether this gift plan is right for you. This information is not meant as tax or legal advice.

Emerald Coast Wildlife Refuge

3051 Clopton’s Circle

Navarre, FL 32566

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