UNIVERSITY OF VALLEY FORGE

OFFICE OF DEVELOPMENT

Qualified Charitable Distributions

DID YOU KNOW THAT – If you have an IRA and are age 70½ or older by law you are required to take a minimum distribution from that retirement account that is based on your age and the amount you have in the account(s). The standard deduction on your Federal Income tax this year for individuals over the age of 65 is $21,750 for single people and $43,500 for married couples. Many in this situation still give faithfully to their church and other charities, but lack sufficient other deductions to itemize on their tax returns.

In 2025, individuals in this situation can make qualified charitable distributions (QCDs) of up to $108,000 per year from their IRAs directly to the University of Valley Forge, which can help satisfy required minimum distributions (RMDs) without increasing taxable income. QCDs are not tax-deductible, but they do not count as taxable income, potentially lowering your adjusted gross income and tax bracket.

Key Rules for QCDs

Attribute	Details
Eligibility Age	Eligibility Age Must be 70½ years old or older at the time of the distribution.
Annual Limit	Up to $108,000 per individual (indexed for inflation). Married couples can each donate this amount.
Eligible Accounts	Traditional IRAs, inherited IRAs, inactive SIMPLE IRAs, and inactive SEP IRAs.
Direct Transfer Requirement	Funds must be transferred directly from the IRA to the charity; cannot be paid to the individual first.
Eligible Charities	Must be a 501(c)(3) organization like the University of Valley Forge; QCDs cannot be made to donor-advised funds or private foundations.
Tax Implications	QCDs are not included in taxable income, thus can potentially lowering your tax bracket and adjusted gross income (AGI).

Timing and Deadlines

QCDs must be completed by December 31 of the tax year to count towards that year's RMD. It is advisable to initiate QCDs early in the year to ensure proper processing and compliance with IRS rules.

Utilizing QCDs can be a strategic way to manage your taxes while supporting the University of Valley Forge. Always consult with a financial advisor or tax professional to know how to align your charitable giving with your financial goals.