

## ATTENTION

If you are 72 years of age or older, keep reading . . .

You might be able to get tax and other benefits just from donating to your favorite charities.

HERE'S THE INFORMATION  
YOU WILL NEED:

**Pelican Sound Charitable  
Foundation, Inc - 501(c)(3)**

**Mailing Address:  
4569 Pelican Sound Blvd  
Estero, FL 33928**

**EIN (Tax ID): 84-1746629**

## What is an IRA RMD?

Traditional IRA owners must start taking **Required Minimum Distributions** (RMDs) at age 72 (used to be 70 ½) or face tax penalties. This requirement was suspended for 2020 due to the pandemic, but is in effect for 2021 and later years. Roth IRAs do not require distributions while the account holder is alive.

Qualified charitable donations are a good choice for individuals who otherwise could not deduct all or part of their charitable donations because of the IRS rules limiting overall charitable donations or not having enough itemized deductions to exceed the standard deduction.

## Tax Filing Requirements

Your IRA trustee will use IRS form 1099-R to report your total distributions for your annual tax return. You will then report this information on form 1040 and indicate how much of the total were qualified charitable distributions that will then reduce dollar for dollar your taxable gross income. You should also keep your own records of the donation date, the account from which you made the donation, the amount you gave and the charity you donated to in case there is any discrepancy. You also need a receipt from the charity stating that you did not receive any goods or services in exchange for your contribution. If you do, the amount of your donation is reduced by the value of the goods or services you received in exchange, and that part of your donation will be taxable.

## The Bottom Line

If you want to take advantage of this method, you should check with your tax advisor to see if it will benefit you. Using your IRA to make a charitable donation can help you lower your tax bill and help any charity you designate, as long as it is a qualified 501(c)(3) organization. Major IRA trustees are set up to facilitate this as it is becoming more popular. Keep in mind, too, that distributions must be made directly to the charity, not to the owner or beneficiary. The charity must receive your donation by Dec. 31 for you to apply it to that year's tax return. All distribution checks need to be made payable to the charity or they will be counted as taxable distributions.