

# Qualified charitable distributions

**Support your favorite causes  
with IRA distributions.**

If you're 70½ or older, you can use your IRA assets to create a charitable fund that supports your favorite charities. This can be accomplished through qualified charitable distributions (QCDs). You can also use QCDs to pay premiums on a gift of life insurance to support your favorite charities upon death.



## What is a QCD?

- A QCD is the direct transfer of assets from your IRA, payable to a qualifying charity such as Thrivent Charitable Impact & Investing™ (Thrivent Charitable).
- Donors age 70½ and older can transfer up to \$100,000 annually from their IRAs to qualifying charities.
- The amount transferred can be used to meet required minimum distributions (RMDs) from an IRA.

## Potential tax advantages of giving QCDs

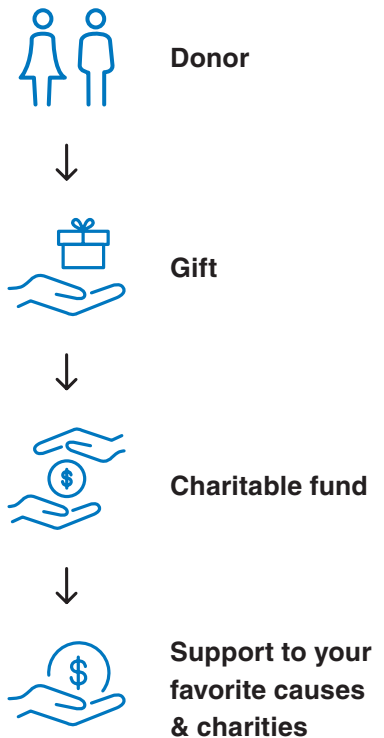
- The QCD amount directed to a qualified charity is not included in your adjusted gross income (AGI).
- Giving these assets to a charity versus taking RMDs as income may enable you to avoid certain disadvantages that can come with a higher AGI, such as higher Medicare premiums, self-employment or Social Security taxes, etc.
- There typically is no income tax due from you on the IRA distributions to a charity.
- Because QCDs are not subject to percentage limitations on charitable deductions, they can be an ideal strategy if you have either exceeded maximum charitable deductions or don't itemize deductions.

## Giving opportunities through Thrivent Charitable

**Create a charitable fund with automatic annual grants** (also referred to as a non-advised fund). Use your QCDs to create a charitable fund (non-advised) at Thrivent Charitable and select favorite charities to receive annual grants, either for a term of years or in perpetuity. Your charitable recommendations remain in place for the life of your charitable fund. (Due to federal tax codes on QCDs, you may not add or remove benefiting charities or change the distribution plan).

**Make a gift of life insurance.** QCDs can also be used to make a significant charitable gift upon death using life insurance. Your QCDs pay ongoing premium payments to a life insurance contract that names Thrivent Charitable as owner and beneficiary. Proceeds from this life insurance contract are directed to your charitable fund to support one or more of your favorite charities (see description of charitable fund above).

## How it works



## Create a charitable fund

- Name any IRS-recognized charities to receive automatic annual grants for a term of years or in perpetuity. You can also request how these charities are to use these grants, e.g., youth or music programs.
- Should a charity lose its tax-exempt status, grant support from your charitable fund will be reallocated among remaining charities. You can also name a contingent charity or Thrivent Charitable to receive support should all named charities cease to qualify.
- Grants can be made in your fund's name, in honor or memory of a loved one, or anonymously if you choose.
- In order to take advantage of the QCD, you may not maintain any advisory capacity over the fund once it is established. (i.e., you may not add or remove selected charities, or change the distribution plan.)
- QCDs can also be used to make charitable gifts to endowment funds at Thrivent Charitable. [Minimum: \\$5,000 per named charity.](#)

## Donor stories

**The donor.** A woman in her 70s wanted to provide permanent support to her church using QCDs. She did not need IRA income, but was required to take minimum distributions, which would put her into a higher tax bracket.

**Her gift.** The donor created a charitable fund (non-advised) with a \$100,000 QCD each year for two years. Her fund will make annual grant distributions to her church in perpetuity.

**The donor.** A man in his mid-70s wanted to support favorite charities upon death and take advantage of the QCD option. He was concerned that required minimum distributions from his IRA might increase his adjusted gross income, affecting Medicare premiums and Social Security taxes.

**His gift.** The donor created a custom charitable fund (non-advised) with a gift of an existing life insurance contract he no longer needed. He made Thrivent Charitable owner and beneficiary of the contract and uses QCDs to make premium payments. Upon his death, proceeds from this life insurance contract will be directed to his charitable fund, which will make annual grant distributions to his named charities for 10 years.

## More about QCDs

- Only IRA distributions qualify. SEPs, SIMPLE plans, 403(b), 401(k), profit-sharing plans and pension plans are not eligible.
- Distributions must be made directly to the charity (Thrivent Charitable) from the plan administrator.
- Because the distribution is not counted as part of your adjusted gross income, there is no charitable deduction on federal income tax returns.
- Gifts of QCDs cannot be used to establish a charitable gift annuity or charitable remainder trust.
- State income tax treatment may vary from federal law.

## About us

We believe humanity thrives when people make the most of all they've been given. Thrivent Charitable Impact & Investing helps people do just that—bring their generosity to life so that they can support the organizations and causes closest to their hearts, now and into the future. Grounded in our purpose to serve, we take a holistic, personalized approach to help our donors create strategic charitable plans and give in a way that best reflects their values and financial priorities. Together, we are committed to creating positive impact and inspiring lasting change in our communities.

## Are you ready to make the most of your giving?

We can help you set up a charitable fund. Contact your Thrivent financial professional, visit [thriventcharitable.com](https://thriventcharitable.com) or call 800-365-4172.



Thrivent Charitable Impact & Investing™, a separate legal entity from Thrivent, the marketing name for Thrivent Financial for Lutherans, is a public charity that serves individuals, organizations and the community through charitable planning, donor-advised funds and endowments. Thrivent Charitable Impact & Investing works collaboratively with Thrivent and its financial professionals.

Charitable giving can result in significant tax, legal and financial consequences. Thrivent does not provide accounting or tax advice. Consult with your attorney or tax professional.

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