

Qualified charitable distributions

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

If you're age 70½ or older, you can use your IRA assets to create a charitable fund to support your favorite charities. This is 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 or make a one-time election to create a lifetime income gift for up to \$53,000.



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 \$105,000—indexed for inflation—annually from their IRAs to qualifying charities.
- Donors can gift once in their lifetime, up to \$53,000—indexed for inflation—to create lifetime income with a gift annuity or charitable remainder trust.
- 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.)

Create lifetime income and benefit charity. You can use your QCDs to fund a charitable gift annuity, up to \$53,000 (indexed for inflation). The amount you give counts toward your RMD in the year of the gift, and you receive fixed payments for the rest of your life. You also can spread the taxable income from your IRA distribution over your lifetime, instead of taxing one lump sum. At the termination of the gift annuity, the remainder goes to your designated charitable fund and benefits your selected charities over time.

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 policy naming Thrivent Charitable as owner and beneficiary. Proceeds from this life insurance policy are directed to your charitable fund to support one or more of your favorite charities (see description of charitable fund above).

How it works



Donor



Gift



Charitable fund



Support to your favorite causes and charities

Questions?

Contact our team for additional assistance at thriventcharitable@thrivent.com or call 800-365-4172.

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 is reallocated among remaining charities. You can also name a contingent charity or Thrivent Charitable to receive support should all named charities cease to qualify.
- Make grants in your fund's name, in honor or memory of a loved one, or anonymously.
- 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).

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 put her into a higher tax bracket.

Her gift. The donor created a charitable fund (non-advised) with a \$105,000 QCD each year for two years. Her fund makes annual grant distributions to her church in perpetuity.

The donor. A man in his 70s wanted to support his favorite charities upon death and take advantage of the QCD option. He was concerned 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 the owner and beneficiary of the contract and uses QCDs to make premium payments. Upon his passing, proceeds from this life insurance contract are directed to his charitable fund, which then makes annual grant distributions to his named charities for 10 years.

The donor. A woman in her 70s wanted to reduce future RMDs, stretch out taxable income over her lifetime, and support a local charity far into the future.

Her gift. The donor established a charitable gift annuity with a QCD of \$53,000. The QCD counts toward her RMDs in the year of the gift, and the gift annuity provides a fixed income for her lifetime. At her passing, the remainder goes into a charitable fund to support the local charity in perpetuity.

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.
- State income tax treatment may vary from federal law.
- Gifts of QCDs can be used to make charitable gifts to endowment funds at Thrivent Charitable. Minimum: \$5,000 per named charity.

Questions?

Contact our team for additional assistance at thriventcharitable@thrivent.com or call 800-365-4172.

About us

Thrivent Charitable Impact & Investing® brings hope to the world by empowering people to create the change that matters most to them. We open the joy of generosity to all by making it easy for anyone to give to the causes they cherish. We take a holistic, personalized approach to help our donors create strategic charitable plans, illuminating new paths to personalized impact through visionary models, tailored service and deep expertise. Ignited by our faith, we are passionate about 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 advisor, visit thriventcharitable.com or call 800-365-4172.



Thrivent Charitable Impact & Investing® 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 advisors. It is a separate legal entity from Thrivent, the marketing name for Thrivent Financial for Lutherans.

Insurance products, securities and investment advisory services are provided by appropriately appointed and licensed financial advisors and professionals. Only individuals who are financial advisors are credentialed to provide investment advisory services. Visit Thrivent.com or FINRA's BrokerCheck for more information about Thrivent's financial advisors.

Donors must itemize deductions to receive a charitable income tax deduction. Charitable giving can result in tax, legal and financial consequences. Thrivent, its financial advisors and professionals, and Thrivent Charitable Impact & Investing®, do not provide legal, accounting, or tax advice. Consult your attorney or tax professional.

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