

# Did you know you can donate to Work Vessels for Vets from your IRA?



People who are age 70½ and older can give up to \$100,000 per year tax-free from their IRA to charity, a procedure called a qualified charitable distribution or QCD. The gift counts as their **required minimum distribution (RMD)** but isn't included in their adjusted gross income. (Even though the SECURE Act, another recent tax law, increased the age to start taking RMDs from 70½ to 72, you can still make a qualified charitable distribution any time after you turn age 70½.)

This is usually a great strategy for people who have to take RMDs and would like to give money to charity – they can help the charity and not have to pay taxes on the money they have to withdraw from their IRA. But because of the CARES Act, people are not required to take RMDs in 2020. However, you may still be able to benefit from making a QCD this year. The tax-free transfer takes money out of your IRA, which can help reduce future RMDs.

**To keep the money out of your Adjusted Gross Income (AGI), it must be transferred directly from your IRA to the charity** – you can't withdraw it first. Ask your IRA administrator about the procedure, and let the charity know the money is coming. You have to give this money directly to a charity; it can't go to a donor-advised fund.



This can be especially helpful if you don't itemize your income-tax deductions and wouldn't be eligible for much of a tax break for your charitable contributions (the newest COVID relief bill does let non-itemizers deduct up to \$300 in charitable cash contributions for single filers in 2021, or \$600 for married couples filing jointly). Keeping the money out of your AGI can also help you avoid the Medicare high-income surcharge if you're close to the \$87,000 income cutoff for single filers, or \$174,000 if you're married filing jointly, and may reduce the portion of your Social Security benefits that is subject to income taxes.

## Making an IRA Rollover Gift is Easier Than Ever

- **Contact your IRA administrator.** Because of the popularity of the rollover, most administrators provide forms and a procedure to help you make a rollover gift.
- You can direct a transfer of up to \$100,000 to be made this year from your IRA to a qualified charity.
- Please use **our EIN# 26-3201760 for WORK VESSELS FOR VETS, INC.**  
Our Address is P.O. Box 215, West Mystic, CT 06388
- CONTACT Cathy Cook, Executive Director at [Cathy@wvfv.org](mailto:Cathy@wvfv.org) or 860-536-4418