SALEM BAND
est. 1771

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(336) 413-2180

Salem Band
500 South Church Street
Winston Salem, NC 27101

# Make Qualified Charitable Distributions (QCDs)

QCD contributions are tax-free distributions directly from a traditional IRA to a qualified charity, allowing donors aged 70½ and older to satisfy all or part of their Required Minimum Distributions (RMDs) without including the amount as taxable income. To qualify, the funds must be transferred directly from the IRA custodian to the charity, which must be a 501(c)(3) organization. QCDs can also reduce Adjusted Gross Income (AGI), potentially increasing medical expense deductions and lowering Medicare Part B IRMAA surcharges.

## How to Make a QCD

1. **Contact your IRA Custodian:**
   Inform your financial institution that you want to make a Qualified Charitable Distribution (QCD). You may be able to do this online.
2. **Provide Charity Information:**
   To donate to Salem Band:
   **Legal Name:**
   Salem Band
   **Mailing Address:**
   500 South Church Street
   Winston-Salem, NC 27101
   **Federal Tax ID Number:**
   47-1233930
   To donate to the Salem Band Endowment Fund at The Winston-Salem Foundation:
   **Legal Name:**
   The Winston-Salem Foundation
   **Mailing Address:**
   751 West Fourth Street, Suite 200
   Winston-Salem, NC 27101-2702
   **Federal Tax ID Number:**
   56-6037615
   Include a note that the gift is for the Salem Band Endowment Fund. Email Angela Breathette (abreathette@wsfoundation.org) to let her know the gift is coming.
3. **Direct Transfer:**
   The custodian will send the funds directly from your IRA to the qualified charity. The money should not go into your personal bank account first.

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4. **Confirm with the Charity:**
   You may want to notify the charity of the upcoming distribution so they can identify it.

## Key Requirements

- **Age:** You must be at least 70½ years old to make a QCD.
- **Source of Funds:** The distribution must come directly from a traditional IRA.
- **Qualified Charity:** The recipient must be a 501(c)(3) public charity, not a private foundation, supporting organization, or donor-advised fund.
  Benefits of a QCD
- **Tax-Free Distribution:** The distribution amount is not included in your taxable income.
- **RMD Satisfaction:** A QCD can be used to satisfy all or part of your annual RMD.
- **Reduces AGI:** Lowering your AGI can increase your ability to deduct medical expenses and lower Medicare IRMAA surcharges.
- **Avoids Estate Tax:** For non-spousal beneficiaries, it's a more tax-efficient way to leave funds to heirs than leaving taxable IRA funds.