If you have an individual retirement account (IRA), you may wish to make a qualified charitable distribution (QCD) to Navy-Marine Corps Relief Society (NMCRS). This can be an effective way to support Sailors and Marines in need, and potentially reduce the income tax you owe. Many individuals who are required to take money from their IRA, but do not need the funds for living expenses, have chosen to make qualified charitable distributions from their IRAs to support the work of NMCRS.

WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION (QCD)?

QCDs are funds from your IRA that can be donated to a qualified nonprofit without first being recognized as income. QCDs are sometimes referred to as IRA Charitable Rollovers. Individuals above the age of 70½ with a Traditional IRA are eligible to make a QCD. This distribution can satisfy all or part of the required minimum distribution (RMD) from your IRA.

WHAT IS A REQUIRED MINIMUM DISTRIBUTION (RMD)?

A required minimum distribution is the minimum amount you must withdraw from your account each year. You generally have to start taking withdrawals from your IRA, SEP IRA, SIMPLE IRA, or retirement plan account when you reach age 72 (70 ½ if you reached that age before January 1, 2020). You are able to withdraw more than the minimum required amount. The IRS provides guidelines for calculating an individual’s required minimum distribution for each year.

HOW DOES A QUALIFIED CHARITABLE DISTRIBUTION (QCD) WORK?

• You must be 70½ or older.
• If you are 72 and older, the transfer of funds counts towards your annual Required Minimum Distribution (RMD). Be sure to allow enough time to have the transaction completed – the check must be received and cashed by NMCRS – by the December 31 deadline for the year the RMD is due.
• An individual may give up to a total of $100,000 per year; a married couple may give up to $200,000.
• Your gift must be transferred directly from the IRA account to a qualified charity, such as Navy-Marine Corps Relief Society.
• QCDs do not count as income and may help you avoid higher income taxes. In general, funds that you withdraw from your IRA count toward your annual income, which will increase your overall tax burden. QCDs are an exception – these funds go directly from your IRA to a qualified nonprofit without needing to be withdrawn. You pay no income taxes on the amount of your QCD.
WHAT ARE THE STEPS TO SUPPORT NAVY-MARINE CORPS RELIEF SOCIETY THROUGH MY IRA?

If you have an IRA and would like to make a QCD to the Society:

- Instruct the manager of your IRA to make a check payable to Navy-Marine Corps Relief Society and mail to the address below.
- Be sure to have the donor’s name included in the documentation, so that the Society can properly record and acknowledge the gift.
- Remember that if your QCD is part of your required minimum distribution (RMD), it must be received and cashed by NMCRS by December 31.

The Navy provided me with opportunities I never could have dreamed of. Supporting the Society – through my IRA – is a way to help other Sea Service members have those opportunities, too. I know what the Society does, and I know this gift will help Sailors, Marines, and their families when they need it, so they can continue to serve. As far as I’m concerned, that’s all the reason I need to give.

– Vice Admiral Justin “Dan” McCarthy, USN (Ret)