



YEAR-END TAX PLANNING MOVES FOR INDIVIDUALS

Charitable Donations (Qualified Charitable Distributions – QCD)

If you are age 70½ or older by the end of 2020, have traditional IRAs, and especially if you are unable to itemize your deductions, consider making 2020 charitable donations via qualified charitable distributions from your IRAs. These distributions are made directly to charities from your IRAs, and the amount of the contribution is neither included in your gross income nor deductible on Schedule A, Form 1040. However, you are still entitled to claim the entire standard deduction. (Previously, those who reached reach age 70½ during a year weren't permitted to make contributions to a traditional IRA for that year or any later year. While that restriction no longer applies, the qualified charitable distribution amount must be reduced by contributions to an IRA that were deducted for any year in which the contributor was age 70½ or older, unless a previous qualified charitable distribution exclusion was reduced by that post-age 70½ contribution.)