

<https://www.nhregister.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**New Haven Register**

<https://www.ctpost.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**CONNECTICUT POST**

<https://www.thehour.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**The Hour**

<https://www.stamfordadvocate.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**stamford  
advocate.com**

<https://www.newstimes.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**newstimes.com**

<https://www.greenwichtime.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>



<https://www.middletonpress.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**THE MIDDLETOWN PRESS**

<https://www.registercitizen.com/business/article/MARKET-MATTERS-Seniors-benefit-from-charitable-13562130.php>

**THE REGISTER CITIZEN**

# MARKET MATTERS: Seniors benefit from charitable deductions

By Russell L. Abrahms  
January 27, 2019

It is difficult to grow old, to paraphrase a somewhat pithier commentary on the status of aging in America, but there still are some advantages for seniors when it comes to tax regulations that can assist in seniors' charitable goals.

Even as hair thins and health issues become priorities, eligible seniors get a bit of a break in the coming tax filing season, particularly where charitable deductions are concerned. Specifically, taxpayers who have reached the 70.5-year mark can make charitable donations directly from a traditional individual retirement account to one or more charities by means of a qualified charitable distribution, or QCD.

This section of the tax code allows anyone who has reached the target age on the date of the contribution to donate up to \$100,000 annually to a public charity directly from their IRA without counting the amount as taxable income.

Since this \$100,000 limit is per taxpayer, a married couple each could give \$100,000 from their respective retirement accounts. Keeping abreast of the tax laws, via a tax attorney, and responding accordingly can ensure that modern investors and financial advisers make the best choices for individual portfolios. QCDs provide seniors with a tool to reduce their tax burden. Under the new system, the standard deduction for most taxpayers is nearly double the previous deduction if they don't itemize their deductions for categories such as state taxes, mortgage interest and donations.

Yet, IRA owners who have reached the age benchmark can get a tax break for donations and take the higher standard deduction. As an example, let's say an IRA QCD requires that a married couple, aged 71 and over, must withdraw \$40,000 every year from their traditional IRAs.

If a couple wants to contribute \$10,000 to various charities such as religious or educational institutions, they can still do so through the QCD. While they won't get a charitable deduction, they won't owe tax on the \$10,000 in donations and will reduce their taxable IRA payout to \$30,000. In addition, the \$10,000 donation is not counted toward their adjusted gross income, AGI, which also can lower state taxes, taxable social security and Medicare Part B and D premiums.

People should be aware of the dollar limits, and make payments directly from the account to the charity. In addition, care should be taken to ensure that the recipient charity is a qualified nonprofit, which does not include many private foundations. Qualified donors should check with their financial advisers to ensure that their charity of choice is in a permitted category. While they are at it, seniors should remember that they cannot receive any benefit from the recipient charity, even to the extent of a meal. It also is a good idea to obtain proper forms to ensure the charity is eligible before initiating the process and including it on tax returns.

Keeping abreast of continually changing tax codes and revisions can be a full-time job and it is easy to overlook tools that enable eligible taxpayers to offset some of their obligations. Thus it is advisable to stay updated and in touch with those changes that affect the bottom line.

Aging is a law of nature and generally has no exclusions. Making the best use of deductions on the other hand is a matter of individual effort, one that can provide welcome benefits.

*Russell Abrahms, CPA, has been providing tax, [accounting](#) and advisory services for more than 25 years. He is based in Fairfield and can be reached at 203-368-4850 or by email at [Russ@RLAbrahmsCPA.com](mailto:Russ@RLAbrahmsCPA.com).*