

Boost your Charitable Giving this season with Required Minimum Distributions!

Need help understanding how to best support your favorite charitable organization during the holidays?

If you are 70-and-a-half years old or older, the IRS requires you to start withdrawing from most types of tax-advantaged retirement accounts. You must also take RMDs from retirement accounts you inherit. For most people, the deadline for taking an RMD is December 31. If you miss the deadline or take less than you're supposed to, you could be subject to a 50% tax penalty.

To avoid this penalty, you can donate your RMD to charity and avoid paying the taxes. Qualified charitable distributions won't be added to your taxable income for the year, so you may be eligible to save money in taxes by directing part of your RMD to a nonprofit organization. 100% of your gift will benefit the charitable organization you support. You'll still enjoy tax benefits from your charitable giving, even if you don't itemize your deductions.

Consult with your financial adviser for questions about your particular situation.