

Required Minimum Distributions

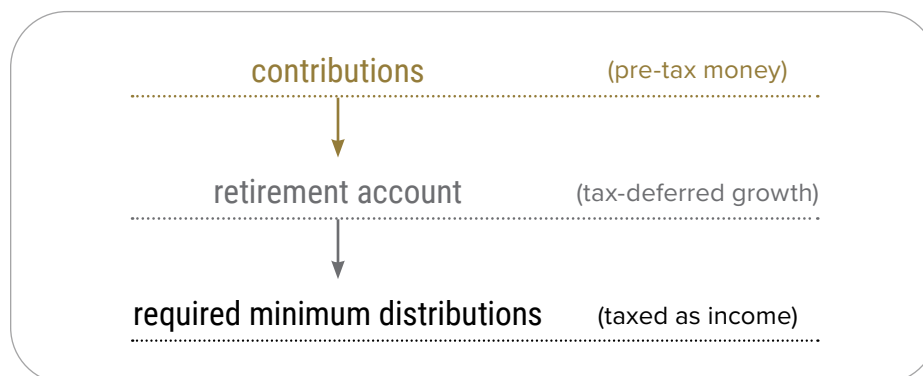
Those with retirement savings in a traditional IRA or qualified plan must take annual minimum distributions when required or face a penalty on the amount they fail to withdraw. This rule applies whether the taxpayer needs the money or not.

Concept applied:

Individuals over age 73 with savings in traditional IRAs, 401(k)s, and other qualified plans must take taxable annual required minimum distributions (RMDs) or pay a 25% penalty on amounts that should have been withdrawn.

How it works:

Georgia McCord recently turned 73 and must begin taking RMDs from her IRA, with tax due on each distribution. Georgia makes an annual gift to her favorite charity, but now she decides to make a qualified charitable distribution from her IRA. She pays no tax on the distribution, it counts toward her RMD, and the full amount supports the charity's work. She can give up to \$111,000 (annual aggregate limit in 2026) under these favorable tax rules. Or, she can use a one-time distribution of up to \$55,000 (in 2026) to create a new charitable gift annuity or charitable remainder trust.



Why is it useful?

Taking full and timely RMDs avoids penalties. Individuals who do not need additional income typically withdraw the minimum amount so the remaining funds will continue to benefit from tax deferral and compound earnings.



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From the telescope to the printing press to the steam engine, technological revolutions have always transformed the human condition. But never has there been a technological revolution set to change our world in pace, scope, and scale as the one in which we are currently immersed. Nonexistent only a lifetime ago, the forces of change brought on by the computing revolution are permanent, universal, and accelerating at an exponential rate. Great opportunities and great challenges have arisen on a scale never seen before.

This complex present and even more uncertain future requires a new citizenship—one that is equipped with knowledge, inspired by vision, and empowered to take action; one that values problem-solving, critical thinking, and collaboration; one that sets innovation and leadership in pursuit of equitable growth; and one committed to creating a sustainable future and improving the quality of life for this generation and the next.

CHM is in a unique position to empower people as catalysts for change inside our current technological revolution. CHM is using its extensive network and historical expertise amassed over four decades to promote a new citizenship for the digital age, bringing together companies and nonprofits, government leaders and policymakers, scholars and educators—because it will take all of us working together to build the future we envision.

FOR ADDITIONAL INFORMATION, PLEASE CONTACT

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