

Tax-Free Gifts From Retirement Accounts

Qualified Charitable Distributions

Normally, a distribution from your Traditional IRA is taxed as ordinary income. However, you may be eligible to make a tax-free qualified charitable distribution (QCD) from your IRA to the University of Rochester. The transfer “counts” toward your required minimum distribution (RMD).

TO QUALIFY

- ➔ You must be 70½ years of age and transfer funds directly from your IRA.
 - ➔ QCDs can be made from a Traditional or Roth IRA. Retirement plans such as pensions and 401(k) or 403(b) plans must first be transferred to an IRA.
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PLEASE NOTE

- ➔ The maximum QCD is \$100,000 per person; a married couple with separate IRAs may give up to \$200,000 per year.
 - ➔ Transfers to donor-advised funds, supporting organizations, private foundations, charitable remainder trusts, and charitable gift annuities do not qualify.
 - ➔ The transfer is tax-free and is not included in your adjusted gross income (AGI), thus there is no charitable deduction. A transfer is not subject to AGI limitations on charitable deductions.
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A QUALIFIED CHARITABLE DISTRIBUTION MAY BE ESPECIALLY BENEFICIAL IF...

- ➔ You do not itemize your deductions (i.e. you take the standard deduction).
- ➔ You would like to pay an existing pledge or make an additional contribution to the University of Rochester.
- ➔ You are already giving at your deduction limit and want to do more.

STEP-BY-STEP INSTRUCTIONS FOR TRANSFERRING FUNDS FROM YOUR IRA TO THE UNIVERSITY OF ROCHESTER

- 1** Contact your advisor or representative at the financial institution that holds your IRA.
- 2** Tell your representative that you wish to make a QCD from your IRA to the University of Rochester.
- 3** Request a check made payable to the “University of Rochester” and indicate that it is “a qualified charitable distribution from the account of (Your Name).”
- 4** For wire transfers, request transfer instructions from us.
- 5** Tax ID information: University of Rochester Federal Tax ID: #16-0743209.
- 6** Please contact us and let us know to expect a payment, indicating any designations such as school, hospital, or fund.

The Protecting Americans from Tax Hikes (PATH) Act of 2015 was signed into law on December 18, 2015 and made permanent what is popularly known as the IRA charitable rollover. The SECURE Act of December 19, 2019 gave those who turn 70½ in 2020 or later, until the age of 72 before required minimum distributions (RMDs) must be taken.

CONTACT US

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Consult your tax advisor about the applicability of these legal principles to your individual situation.

