

QUALIFIED

CHARITABLE DISTRIBUTION

A tax-wise gift from your individual retirement account (IRA)

A qualified charitable distribution (QCD) is a giving technique that enables donors age 70 ½ or older to transfer up to \$105,000 directly from the donor's IRA (or IRAs) to one or more qualified public charities in 2024. Utilize this tax-savvy giving strategy to support the areas at Duke you care about most.

Benefits

Benefits for you:

- Transfer up to \$105,000 in QCDs in 2024. This dollar limit changes annually.
- Satisfy some or all of your annual required minimum distribution (RMD) if you are at least 73 years old.
- Avoid or defer additional taxable income, which may allow you to avoid a higher tax bracket.
- Direct the funds to support the Duke students and programs most important to you.

Benefits for Duke:

- Apply this unique gift to make an immediate impact or future impact at Duke.
- Satisfy your multi-year commitment to the Annual Fund and other areas at Duke.
- Have your gift count toward your Duke reunion year.
- Create or add to an existing permanent endowment in your name or in memory of a loved one, such as a financial aid scholarship.

Factors to consider

- Donors must be at least 70 ½ on the date of the QCD gift. Taxpayers generally must begin taking required minimum distributions from IRAs at age 73.
- The QCD is available only for gifts from a traditional IRA and not from any other type of retirement plan such as 401(k), 403(b), 457, Keogh, ESOP, etc.
- The QCD may only be used for outright gifts to a qualified public charity like Duke for which the donor receives nothing of value in return for their donation, with one exception: under certain circumstances, a QCD may be used to establish a charitable gift annuity that will make lifetime payments back to the donor and/or the donor's spouse. But a donor cannot use a QCD, for example, to contribute to a donor-advised fund, or for the right to purchase tickets through the Iron Dukes, or to reserve a space in the Memorial Garden at the Sarah P. Duke Gardens.
- Eligible donors can give up to \$105,000 in 2024 from their IRA(s). A couple with separate IRAs can donate up to \$105,000 each from their respective IRAs. Different rules apply if a QCD is used to establish a charitable gift annuity.
- A QCD transfer is not typically subject to federal income tax, unless made from documented after-tax contributions to the IRA. Some states treat the QCD like a withdrawal for state tax purposes, but this varies from state to state. There is no charitable income tax deduction for the QCD transfer but the QCD amount will be excluded from your taxable income in the year of the transfer.
- The gift should be transferred from the IRA directly to the charity. The donor should not accept any distribution of funds intended for a QCD.

Example of how a QCD might be a tax-wise move: A donor who withdraws funds from her traditional IRA directly must typically include the withdrawal amount in her adjusted gross income (AGI). If she then makes a charitable gift to Duke equal to the amount withdrawn, she may receive an offsetting income tax deduction, but the increase in AGI may place her in a higher tax bracket. By contrast, if the donor makes the gift using a QCD, it would not be considered a taxable withdrawal, therefore suppressing the donor's taxable income and potentially helping her avoid a higher tax bracket.

Another option

Using a QCD to establish a charitable gift annuity: A qualifying taxpayer can transfer funds from an IRA to establish a charitable gift annuity, which would provide a fixed payment to the donor and/or their spouse for their lifetimes. After their lifetimes, the remainder of the gift would be used to support the donor's favorite area(s) at Duke. Requirements and restrictions apply; contact Duke's Gift Planning Office to learn more.

How to get started

1. Check with your financial advisor about whether a QCD gift is right for you. If it's a good fit, your advisor or account administrator can help you initiate the QCD transfer.
2. Contact Duke's Office of Gift Planning today to inform us of your gift. Our charitable planning professionals are available to work with you and your financial advisors.
3. Your IRA custodian can send the check.
Use the information in the box to the right.

Duke's Tax ID: **56-0532129**

Please have your check sent to:

**Alumni & Development Records
Duke University
Box 90581
Durham, NC 27708
(919) 684-2338**

Connect with us to get started

Duke University's Office of Gift Planning has charitable planning professionals available to work with you and your financial advisors to explore charitable giving strategies that support your financial goals now and in the future.

EMAIL: giftplanning@duke.edu

PHONE: (919) 681-0464

WEBSITE: giving.duke.edu/giftplanning

BLOG: giving.duke.edu/blueprints

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