



# An IRA qualified charitable distribution (QCD) allows you to...

# 1

**MAKE A TAX-FREE GIFT FROM YOUR RETIREMENT ACCOUNT**

# 2

**COUNT YOUR GIFT TOWARD YOUR REQUIRED MINIMUM DISTRIBUTION**

# 3

**KEEP YOUR IRA DISTRIBUTION OUT OF YOUR ADJUSTED GROSS INCOME**

## HOW IT WORKS

**You must** be at least 70½ years of age.

**Transfers must be made directly** from a traditional IRA or ROTH IRA to the MCV Foundation. Funds that are withdrawn by you and then contributed will not qualify.

**Gifts must be outright.** Gifts can be used to satisfy a personal pledge, but distributions cannot be used to fund life-income arrangements or to obtain other benefits such as tickets to events.

## HOW YOU BENEFIT

**Avoid taxes** on transfers up to \$100,000 from your IRA to MCV Foundation.

**Satisfy your required minimum distribution (RMD)** for the year. RMDs begin at age 72 for those turning 70½ after December 31, 2019.

**See an immediate impact** with your gift.

## HOW THE MCV FOUNDATION BENEFITS

**The MCV Foundation** receives a cash gift to support the area or program of your choice.

## NEXT STEPS

**Contact your IRA account administrator** to request that a qualified charitable distribution (QCD) be made from your IRA to the MCV Foundation.

**Provide your IRA account administrator** with the MCV Foundation's legal name, tax ID and address:

**Legal Name:** Medical College of Virginia Foundation

**Tax ID Number:** 54-6053660

**Address:** 1228 E. Broad Street

Box 980234, Richmond, VA 23298

**Contact the MCV Foundation** to let us know to expect your check and what you would like your gift to support. This is an important step because some account administrators do not include identifying information on checks.

## PLANNING TIPS

In addition to using your IRA as a tax-smart way to make annual gifts, you may also use your IRA to fund an endowed gift or to leave a legacy gift.

If you have a 401(k) or 403(b) retirement account, consider rolling those assets into an IRA to take advantage of tax-friendly giving options.

# IRA Qualified Charitable Distribution (QCD): Frequently Asked Questions

## WHAT EFFECT DID THE CARES ACT AND SECURE ACT HAVE ON IRA QCDs?

The CARES Act and the SECURE Act both made changes to the rules governing required minimum distributions, but they did not change the qualifying criteria for IRA QCDs. The SECURE Act changed the age RMDs start to 72, and the CARES Act suspended RMDs for 2020.

## IN ADDITION TO THE CHANGES TO THE RMD AGE, ARE THERE ANY OTHER NEW RULES THAT COULD AFFECT IRA QCDs?

Yes, the SECURE Act also removed the age restriction on contributions to individual retirement accounts. If you continue to add to your IRA account after the age of 70 ½ that will reduce your IRA QCD eligibility.

## WHAT TIMING CONSIDERATIONS ARE IMPORTANT WHEN MAKING AN IRA QCD?

IRA QCDs are complete when the funds leave the custodian's account. The funds must leave the custodian's account by December 31 in the year in which you wish for it to be reported on your 1099-R. The postmark date on the envelope is not the gift date for tax reporting. The date that the IRA administrator transfers funds out of your IRA account will be the date that is reported on your 1099-R. If you have a checkbook for your IRA account and mail a check from that checkbook to the MCV Foundation in December, it is important to include plenty of time both for the check to arrive and for the MCV Foundation to cash it so that it leaves the custodian's account before the end of the year.

## MAY I MAKE A QCD FROM MY IRA IF I HAVE ALREADY TAKEN MY REQUIRED MINIMUM DISTRIBUTION (RMD)?

Yes. You can exclude up to \$100,000 (per IRA account owner, per tax year) from gross income for qualified charitable donations. The donation counts toward your RMD but is not limited by your RMD.

## MAY I CONTRIBUTE MORE THAN \$100,000 TO A QUALIFIED CHARITY FROM AN IRA?

Yes, however, the law limits the exclusion from gross income to \$100,000 per taxpayer. Charitable contributions from an IRA more than the \$100,000 limit must follow the general rules pertaining to percentage limitations and itemized contribution reductions.

## MAY I MAKE IRA QCD GIFTS TO MORE THAN ONE CHARITY?

Yes, you may make gifts to as many charities as you like, if total gifts do not exceed \$100,000 per taxpayer, per tax year. Check with your IRA plan administrator, there may be minimum gift requirements.

## ARE IRA DISTRIBUTIONS ALREADY TAKEN BY ME ELIGIBLE TO GIFT AS A QCD?

No, you cannot convert a RMD distribution to a QCD after it has been taken. However, you can make gifts from IRA distributions that do not meet the requirements of a QCD. In such cases, the IRA distribution would be recognized as income for income tax purposes, and the gift would typically be eligible for a federal income tax charitable deduction.

## IS MY IRA QCD GIFT ELIGIBLE FOR AN INCOME TAX CHARITABLE DEDUCTION?

No. QCD gifts do not receive a federal income tax charitable deduction for the gift since you do not pay income tax on the withdrawal.

## ARE GIFTS FROM RETIREMENT PLANS OTHER THAN AN IRA ELIGIBLE?

No. However, donors may be able to make qualified transfers from their pension or retirement plan to their IRA, and then make a charitable gift from their IRA account.

*The MCV Foundation is grateful for every gift. We look forward to working with you and your advisors to arrange a gift plan that best suits your needs. MCV Foundation employees and representatives do not offer legal or financial advice. Donors are encouraged to consult with an attorney, financial advisor, estate planner or accountant before finalizing arrangements.*