

# Qualified Charitable Distributions / IRA Rollovers

## Wheaton College Gift Planning Services

Interested in reducing your income tax burden while supporting Wheaton College? Consider a Qualified Charitable Distribution (QCD) from your IRA! Withdrawals from traditional tax-deferred retirement accounts are typically taxable to recipients. However, giving IRA assets directly to charity through a QCD wipes away taxes and is an effective way to give.

### What is the Good News?

- A QCD reduces your taxable income – a tax benefit even for non-itemizers!
- QCDs may fulfill all or part of your Required Minimum Distribution
- QCDs may reduce your state income taxes and Medicare premiums
- QCDs can now be used to fund a gift annuity! (*see reverse side for more details*)

### What are the Guidelines?

- You must be at least age 70 ½ to make a QCD.
- QCDs must be paid directly to the charity.
- IRA owners can give up to \$111,000 per year to charities through QCDs.
- QCDs can only be made from traditional IRAs.
  - It may be possible to roll over other retirement accounts into an IRA.
- Note: QCDs cannot be given to a Donor Advised Fund.

### How Do I Give a QCD?

*Provide your IRA custodian with the following to initiate a QCD:*

- **Legal Name:** Wheaton College
- **Taxpayer ID:** 36-2182171
- **Permanent Address:** 501 College Avenue, Wheaton, IL 60187

Keep all documentation to ensure that your QCD gift is accounted for correctly, and we recommend you initiate a QCD by October or November to ensure it's accounted for in the correct tax year.

Your custodian should direct your QCD to the Advancement Services Department and include:

- Your name and address
- A check payable to Wheaton College
- Any specific designation for your gift, such as to a scholarship, academic department, etc.

💡 QCDs maximize giving, reduce taxes, and support Kingdom work at Wheaton College!

We are here to help you accomplish your charitable goals in a tax efficient manner. Please contact us:

630.752.5332 | [gift.plan@wheaton.edu](mailto:gift.plan@wheaton.edu) | [www.wheaton.edu/giftplan](http://www.wheaton.edu/giftplan)

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### IRA QCD Funding of Gift Annuities

- Creates a lifetime income flow and a gift to charity.
- Maximum of \$55,000, funded in a single calendar year. May be funded through one or more gift annuities, not to exceed the maximum. Permitted once in a lifetime.
- Each spouse can each give up to \$55,000 from their own IRA.
- Only the IRA owner or owner's spouse may be an annuitant.
- Payments cannot be deferred.
- Gift annuity payments are taxable at the annuitant's income tax rate.
- Note: Cash/stock funded gift annuities do not have these same restrictions.

*This opportunity is subject to certain limitations, so please contact Gift Planning Services for more information.*

### Required Minimum Distributions (RMDs)

Required Minimum Distributions (RMDs) are amounts that retirement account owners ages 73 and older must withdraw annually from their retirement accounts or be subject to penalties.

#### What are the Guidelines?

- RMDs generally begin at age 73.
- The initial RMD payment can be delayed until April 1 of the year after the owner reaches age 73. Subsequent RMDs must be taken by 12/31 of the same year.
- Various employer sponsored plans have RMDs, such as:
  - Profit-sharing plans, 401(k), 403(b), 457(b), as well as
  - Traditional IRAs, SEPs, SARSEPs, and SIMPLE IRAs .
    - Note: Roth IRAs do not have RMDs.
- RMDs are calculated using an IRS formula considering the account balance and life expectancy. The IRS calculator can be found at [www.irs.gov](http://www.irs.gov).
- Generally, RMDs are taxed as income at the owner's income tax rate.
- 25% tax penalty may apply if the owner fails to take the full RMD amount by the deadline.

**The information herein is not intended as legal, tax, or financial advice. Please consult with your attorney, financial or tax advisor for advice specific to your circumstances.**