

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 | 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. Please contact our office 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.

Note: Many types of retirement accounts have RMDs, but *QCDs can only be made from traditional IRAs!* It may be possible to roll over other retirement accounts into an IRA.

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.
- 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.