

CHARITABLE IRA ROLLOVER

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

A charitable IRA rollover — often referred to as a “qualified charitable distribution” or “QCD” — is a gift option that enables donors age 70½ or older to transfer up to \$100,000 directly from the donor’s IRA (or IRAs) to a qualified charity each year. Utilize this tax-savvy giving strategy to support the areas at Duke you care about most.

Benefits

For you

- Satisfy your annual required minimum distribution (RMD) if you are at least 72 years old.
- Avoid additional taxable income, which may allow you to avoid taxation at a higher tax bracket.
- Direct the funds to support the Duke students and programs most important to you.

For Duke

- Apply this unique gift to make an immediate impact at Duke.
- Satisfy your multi-year pledges to the Annual Fund.
- 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.

How to get started

1. IRA owner must be 70½ years or older to be eligible to make this gift. Check with your financial advisor about whether this type of gift is right for you.
2. Contact your account administrator to make a qualified charitable distribution from your IRA to Duke University.
3. Contact Duke’s Office of Gift Planning today to inform us of your gift. Our charitable planning experts are available to work with you and your financial advisors.

Factors to consider

- As of January 1, 2020, taxpayers generally must begin taking required minimum distributions from IRAs at age 72. The age required to make an IRA rollover gift remains 70½.
- The charitable IRA rollover 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 rollover is allowed only for outright gifts to a qualified public charity like Duke for which the donor receives no benefits.
- The amount of a rollover gift that counts toward your required minimum distribution may be reduced by additions to a retirement account made after age 70½.
- The donor must be at least 70½ years of age on the date of the gift.
- The donor can give up to \$100,000 each year from his or her IRA(s). A couple with separate IRAs can donate up to \$100,000 each from their respective IRAs.
- There is no federal income realized and no income tax deduction for the donor (unless made from documented after-tax contributions to the IRA).
- The gift should be transferred from the IRA directly to the charity. The donor should not accept any distribution of funds intended for a charitable IRA rollover.
- Some states treat the charitable IRA rollover like a withdrawal for state tax purposes, but this varies from state to state.
- Please check with your financial advisor to determine how a charitable IRA rollover gift will impact you.

Example of how a charitable IRA rollover might be a tax-wise move:

A donor who withdraws funds from her traditional IRA directly may have to include the amount withdrawn in her adjusted gross income (AGI). If she then makes a charitable gift to Duke equal to the amount withdrawn, she may claim an income tax deduction but the increase in AGI may put her in a higher tax bracket. By contrast, a donor who makes a charitable IRA rollover gift does not make a taxable withdrawal, and therefore, should not have increased income nor be subject to the higher tax bracket or related costs due to the charitable IRA rollover.

Another option

Estate Gift from IRA vs. Charitable IRA Rollover

Gift: An estate gift from an IRA to Duke (at the IRA account owner's death) may be more appropriate for those donors who do not have sufficient assets to comfortably consider a lifetime charitable IRA rollover. This can be done by naming Duke University as a beneficiary of the IRA on the beneficiary designation form available from the IRA's custodian.

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 identify the best charitable giving strategy to 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/blog

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