

# QUALIFIED CHARITABLE DISTRIBUTION

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

A qualified charitable distribution (QCD) enables donors age 70½ or older to transfer up to \$105,000 directly from the donor's IRA (or IRAs) to a qualified charity in 2024. Utilize this tax-savvy giving strategy to support the areas at Duke you care about most.

## Benefits

### *For you*

- Transfer up to \$105,000 in QCDs in 2024. This dollar limit changes annually.
- Satisfy 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 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 or an impact on Duke's future.
- 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.

## How to get started

1. **Check with your financial advisor** about whether this type of 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 to:**  
Duke University, Alumni and Development Records  
Box 90581, Durham, NC 27708  
Phone: 919-684-2338      Tax ID: 56-0532129

## Factors to consider

- Taxpayers generally must begin taking required minimum distributions from IRAs at age 73. The donor must be at least 70 ½ on the date of the QCD gift.
- 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 is allowed only for outright gifts to a qualified public charity like Duke for which the donor receives no benefits, with one exception; under certain circumstances, a QCD may be used to establish a charitable gift annuity that will make payments to the donor and/or spouse.
- The donor 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.
- You may save on taxes since 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.
- 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.
- With the exception of a QCD charitable gift annuity, please note that a QCD cannot be used if the donor or anyone else receives something of value in return. For example, you cannot use your QCD 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 Sarah P. Duke Gardens.

**Example of how a QCD 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 QCD.

## Another option

**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 a spouse for their lifetimes. After their lifetimes, the remainder of the gift would be used to support the donor's favorite parts of Duke. Requirements and restrictions apply; contact Duke's Gift Planning Office to learn more.

## Connect with us to get started

EMAIL: [giftplanning@duke.edu](mailto:giftplanning@duke.edu)

PHONE: (919) 681-0464

WEBSITE: [giving.duke.edu/giftplanning](http://giving.duke.edu/giftplanning)

BLOG: [giving.duke.edu/blueprints](http://giving.duke.edu/blueprints)

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