

GIVING THROUGH YOUR IRA

The qualified charitable distribution (QCD) provision (aka the IRA charitable rollover) allows individuals who are 70½ years or older to make a gift of up to \$100,000 from their IRA each year directly to charities, such as Brigham and Women's Hospital.

To qualify for the special tax benefits of this gift, the donation must be made directly to Brigham and Women's Hospital, not to your donor-advised fund or foundation.

Frequently Asked Questions:

- **How does this help me?**
This gift opportunity makes it easier to use IRA assets, during your lifetime, to make charitable gifts.
- **Is there a limit to how much I can give?**
Yes, the current limit is \$100,000 per person, per year. Starting in 2024, the limit will increase as it will be indexed for inflation.
- **Can both my spouse and I take advantage of this opportunity?**
Yes, if you and your spouse each have your own IRA both of you can donate up to \$100,000 respectively provided you are both at least 70 ½ years old.
- **Will I qualify for an income tax charitable deduction with this gift?**
There is no income tax charitable deduction for making a QCD, but the gift passes tax-free to charity.
- **Can I make a QCD from my 403(b) or 401(k) plan?**
No, only IRAs and Roth IRAs may be used to make a QCD.
- **What about my required minimum distribution?**
Your QCD is credited against your required minimum distribution (RMD), reducing your taxable income. As of January 1, 2023, you are not required to start taking a required minimum distribution (RMD) until age 73, but you may begin taking advantage of the QCD at age 70½. If you have not already taken your RMD each year, a QCD can count toward satisfying this requirement.
- **Can my qualified charitable distribution be used to pay my pledge to the Brigham?**
Yes, you can direct a QCD to any area of the Brigham to satisfy your pledge to the hospital. Please notify us that your QCD is intended to pay your pledge so your gift can be properly credited and acknowledged.

- **Can I use a QCD to establish a charitable gift annuity (CGA) or charitable remainder trust (CRT) (i.e., gifts that generate lifetime income)?**

Yes, under the Secure 2.0 Act, QCDs have been expanded to include establishing charitable gift annuities (CGAs) and charitable remainder trusts (CRTs). The following criteria apply:

- 1) IRA owners may elect to use up to \$50,000 in IRA assets to fund a CGA or CRT. This opportunity must be made within a single calendar year, and it is only permitted once in a donor's lifetime.
- 2) A donor's election can be split into smaller gifts. For example, a donor could establish five \$10,000 CGAs or two \$25,000 CGAs.

- **Can I establish a CRT at the Brigham with \$50,000?**

- Our minimum to establish a CRT is \$100,000. To meet this minimum, each spouse must contribute \$50,000 each from their respective IRAs.

- **I have an existing CRT so can I make an addition to it from my IRA?**

- Unfortunately, no because these distributions must be made to a trust or annuity funded only with IRA assets.

- **How can I make a qualified charitable distribution to the Brigham today?**

- 1) Contact the financial institution holding your IRA and request the forms required to initiate a QCD.
- 2) Complete the necessary forms from your IRA administrator to request a QCD.
- 3) Notify our office your gift is a QCD and how it is to be used. This will ensure it is directed appropriately and we provide you a proper acknowledgment.
- 4) The hospital will acknowledge receipt of the gift as a qualified charitable distribution.

For more information, please contact:

Kelly Gallagher
Senior Director
617 352 2562

kgallagher20@bwh.harvard.edu

Development Office
Brigham and Women's Hospital
263 Huntington Avenue, #318
Boston, MA 02115-4506