
The ABCs of Making Charitable Gifts from Your IRA

Yale
NewHaven
Health
Greenwich
Hospital

Traditional Individual Retirement Account (IRA) owners 70 ½ years of age may begin making Qualified Charitable Distributions (QCD) from their IRA to a charity. A QCD can reduce taxes and support **Greenwich Hospital**. *Please talk with your financial advisor to learn more.*

Qualified Charitable Distribution (QCD)

- ▶ A QCD is a direct transfer of funds from your IRA custodian, payable to a qualified charity. If you have begun taking your Required Minimum Distributions (RMD), a QCD can satisfy your RMD if certain rules are met and can reduce your taxes.
- ▶ QCDs of up to \$100,000 per year can be transferred from your account directly to a public operating charity. The amount is indexed to inflation.
- ▶ You do not receive a tax deduction for a QCD from your IRA. A QCD excludes the amount donated from taxable income, which is unlike regular withdrawals from an IRA.
- ▶ Taxpayers may now make a one-time \$50,000 QCD transfer to a charitable remainder trust (CRT) or another life-income gift such as a charitable gift annuity (CGA). The provisions allowing such a Legacy IRA were in the Secure Act of 2022. Note that \$50,000 is more than the minimum to establish a CGA with **Greenwich Hospital** but it is below the minimum for a CRT. The choice to fund a CRT or CGA is a one-time election to be used in a single calendar year.
- ▶ Making QCDs before the age of 73 may help lower IRA account balances which may be helpful to avoid future income and estate taxation.
- ▶ After 73, if you are required to take a distribution but don't need the income then a direct distribution to **Greenwich Hospital** supports our life changing and lifesaving work, while avoiding the tax you would owe if your RMD goes to you rather than to charity. You don't avoid the taxation if you take the distribution to yourself and then gift it to **Greenwich Hospital**. Direct your plan administrator to make the gift directly to the hospital.
- ▶ You understand that \$50,000 is the limit to use IRA funds one time for a CGA or CRT gift — but how does the \$100,000 annual limit work? You may direct a distribution for up to \$100,000 to **Greenwich Hospital** outright for any charitable purpose, directly from the IRA to **Greenwich Hospital**.
- ▶ In addition to traditional IRAs, QCDs may be possible with ROTH IRAs under some circumstances, inactive SEP-IRAs, and inactive SIMPLE IRAs.
- ▶ Please notify the Development Office at **203-863-3889** before making a QCD so that we are certain your distribution will be direct and so that you may be credited for the gift.

If you have questions about creating a life-income gift, such as a charitable gift annuity or charitable remainder trust, please call Noël Appel in the Office of Development at 203-863-3861.