

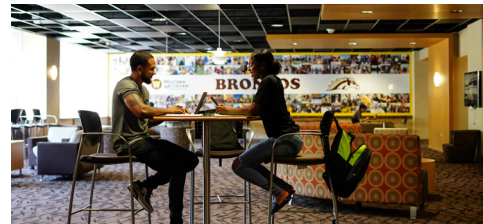


IRA Qualified Charitable Distributions (QCD): *A Tax-Wise Gift for Those 70½ and Up*

The Value of Making a QCD

Did you know that if you're 70½ or older you can take advantage of what's known as a Qualified Charitable Distribution (QCD) or IRA Charitable Rollover?

While you can start taking distributions from your Individual Retirement Accounts (IRAs) as early as age 59½, you're required to do so beginning at age 73. Normally, these distributions are subject to income taxes. Made permanent by Congress in 2015, the IRA Charitable Rollover provision allows you to donate up to \$100,000 (\$200,000 per couple) per calendar year from your IRA to the WMU Foundation once you've reached age 70½. Also known as QCDs, these gifts aren't considered taxable income when made directly from an IRA to the WMU Foundation.



“Giving from our IRA is a great way for us to support WMU. It minimizes our adjusted gross income and satisfies our required minimum distributions.”

- Savvy Bronco Donor

Rules to Remember

1. The rollover must constitute an outright gift to WMU.
2. With the recent passing of the Legacy IRA Act, you may now make a one-time election for a qualified charitable distribution of up to \$50,000 (without being taxed) from your IRA to fund a Charitable Gift Annuity (CGA). Some limitations apply, so contact us for more details and a personalized illustration at no obligation.
3. Your gift must come from a qualified IRA. Exclusions include 401(k), 403(b), Keoghs and employer-sponsored active SEPs, and SIMPLE plans.
4. QCDs cannot be used to receive Bronco Athletic priority points, priority seating or other benefits.
5. QCDs do not receive a federal income tax charitable deduction because you are not being taxed on the withdrawal.

Potential Perks

1. A QCD may benefit you if use the “standard deduction” because you do not itemize, and therefore, do not claim a charitable tax deduction when you give to charities.
2. A QCD may be advantageous if you do not need any or all of your Required Minimum Distribution (RMD).
3. A QCD may reduce your Adjusted Gross Income (AGI), which can impact Social Security and Medicare premiums.

How to Transfer Funds

First, contact your IRA Administrator to initiate the request. Checks should be made directly to the Western Michigan University Foundation. Make sure your name is included on the memo line.

Send checks to: WMU Foundation 1903 W. Michigan Avenue
Attn: Gift Processing Kalamazoo, MI 49008

Frequently Asked Questions

Q. I've already named the WMU Foundation as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?

A. By making a gift this year of up to \$100,000 from your IRA, you can see your philanthropic dollars at work during your lifetime. Moreover, you can fulfill any outstanding pledge you may have already made by transferring that amount from your IRA, provided it's \$100,000 or less for the year.

Q. I have several retirement accounts. Does it matter which retirement account I use?

A. Yes. QCDs to a qualified charity can only be made from an IRA. Under certain circumstances, however, you may be able to roll assets from a pension, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer from the IRA directly to the WMU Foundation. Speak with your plan administrator to determine if a rollover to an IRA is an option for you.

Q. Can my gift be used as my Required Minimum Distribution under the law?

A. Yes. Distributions can satisfy all or part of your RMD when you turn 73; plus, they'll lower your AGI. Contact your IRA custodian to complete the gift.

Q. I have two charities I want to support. Can I give \$100,000 from my IRA to each?

A. No. Under the law, you can give a maximum of \$100,000. Any amount of more than \$100,000 in one year must be reported as taxable income.

Q. My spouse and I would like to give more than \$100,000. Can we do that?

A. Yes. If you have a spouse who is 70½ or older, he/she can also give up to \$100,000 from his/her IRA.

Q. How do I make sure my IRA gift counts toward my RMD this calendar year?

A. If your IRA administrator postmarks the distribution to the WMU Foundation by December 31; if you send the IRA administrator's distribution to the WMU Foundation with a postmark by December 31; or for IRAs with check writing privileges, you send the check in plenty of time to clear the bank by December 31.

Want to learn more about the value of making a QCD? Please contact the Office of Gift Planning anytime at (269) 387-8791.

Connect with us:

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WMUalumni.org/gift-planning



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Gift Planning

Western Michigan University Foundation (Federal Tax ID Number: 38-2138856) is a tax-exempt charitable organization under section 501(c)(3) of the Internal Revenue Code. Donations are tax deductible as allowed by law. The Office of Gift Planning does not provide legal, tax or financial advice. When considering planning matters, seek the advice of your own legal, tax or financial professionals.