

THE IRA QUALIFIED CHARITABLE DISTRIBUTION: A SMART GIFT FOR MAXIMIZING YOUR TAX SAVINGS

The **IRA Qualified Charitable Distribution** (QCD; also known as the IRA Charitable Rollover) is a great way to combine charitable giving with financial planning. For most people, it will maximize federal and state income tax savings – and it doesn't require you to itemize your deductions in order to get a tax break for your charitable gifts. Transfer your gift directly from your traditional IRA account to Clark. Your gift will count towards your annual Required Minimum Distribution (RMD) and your withdrawal will be tax-free.

WHAT ARE THE IRA QCD RULES?

- **You must be at least 70 ½ years of age** as of the date of your gift. (Note you're not required to take a minimum distribution from your IRA before age 72.)
- **Your gift must be transferred directly** by your IRA administrator (instructions on the reverse).
- **You can make gifts totaling up to \$100,000 in a tax year** to qualified charities from all your IRA accounts. You cannot use the IRA QCD to make transfers to donor advised funds, charitable trusts, charitable gift annuities or family foundations. If your spouse has one or more IRAs, s/he may also transfer up to \$100,000 directly to charities in a tax year.
- **The QCD only applies for gifts from IRAs** and not other tax-deferred retirement plans such as a 401(k)s, 403(b)s, SEPs, or traditional pensions. You may be able to move money from one of these accounts into a traditional IRA to take advantage of the QCD. Don't make a gift directly from your Roth IRA – these withdrawals are already tax-free and you'll lose the ability to claim a charitable deduction.
- **Because your IRA withdrawal won't be included in your taxable income, you cannot claim a federal charitable deduction for your gift.** States vary in their rules for reporting the IRA Charitable Rollover on state income tax forms; check with your financial planner or tax professional for guidance.
- **What if I've already taken my RMD for the year?** You can still utilize the QCD but your RMD withdrawal will be fully taxable this year. Plan now to make next year's charitable gifts via the QCD to ensure some or all of your 2023 RMD is tax-free.

FIAT LUX LEGACY SOCIETY

Clark's Fiat Lux Legacy Society honors alumni, parents and friends who have demonstrated their commitment to Clark's future by establishing planned gifts or including the University as a charitable beneficiary of their estate plans.

Join us by creating your legacy gift for Clark today

If you have already included a gift to Clark in your trust or will or via a beneficiary designation on a retirement account or life insurance policy, please let us know so we can welcome you to the Fiat Lux Legacy Society.



HOW CAN USING THE IRA QUALIFIED CHARITABLE DISTRIBUTION LOWER MY TAXES?

- **The IRA QCD lowers your Adjusted Gross Income (AGI)** by removing any withdrawals sent straight to charity from the income you report on your federal taxes. A lower AGI may reduce the taxes you pay in several ways:
 - If you normally take the standard deduction, you effectively also get a charitable deduction. If you normally itemize deductions - but the total of all your non-charitable deductions is less than the standard deduction - you can switch to taking the higher standard deduction while still effectively getting a deduction for your charitable gifts.
 - If you are subject to AGI-based limits on your deductions and/or "high income" tax penalties like the Net Investment Income Tax or the Additional Medicare Tax, you may reduce to lessen the impacts of these provisions.
 - You may lower taxes on Social Security payments, lower your Medicare premiums and/or claim higher deductions for medical and miscellaneous expenses.
 - If your state limits or does not allow charitable deductions, you may be able to lower your state income taxes.

Not everyone will save more on taxes as a result of using the IRA QCD (as opposed to making a gift and taking a charitable income tax deduction) - but you're unlikely to save less. Check with your tax advisor to determine the best strategy for you.

HOW DO I MAKE MY IRA QCD GIFT TO CLARK?

- **Your IRA QCD must be transferred directly by your IRA administrator to Clark; we recommend you make your request by early December to ensure you meet your RMD.** You may be asked for Clark's Federal EIN; it is 04-2111203. You have two options:

- 1) Contact your plan administrator and request they send your QCD gift directly to Clark:

By check made out to "Clark University" mailed to:

Office of Planned Giving
Clark University
950 Main Street
Worcester, MA 01610

By wire transfer to "Clark University:"

TD Bank Massachusetts
370 Main St., Worcester, MA 01608
Swift Code: NRTHUS33XXX
ABA Number: 211-370545
Account Number: 824 194 1463

Please let us know when you have requested a QCD so we can match your gift to you when it arrives (they are not always clearly labelled). Let us know: your name, your IRA administrator, the amount of your gift, and what it should support (e.g. Clark Fund or another fund or purpose.)

- 2) Ask your plan administrator to make out a check to "Clark University" and send it to you. Forward the check to the Planned Giving office, including a note on how we should use your gift.

For questions or assistance, contact Clark's Office of Planned Giving at (877) 252-7510 or by email at plannedgiving@clarku.edu.