



**Boston Medical Center
Office of Development
Gift Planning**

**Individual Retirement Account
Qualified Charitable Distribution gifts**

Thank you for considering this type of gift to Boston Medical Center. Individual Retirement Account Qualified Charitable Distribution gifts (IRA QCD gifts) are an option for individuals 70½ or older to direct up to \$105,000 tax-free annually from qualified IRAs to qualified charitable organizations.

We are pleased to provide this information, which addresses some of the more common considerations when preparing to make this type of gift. This information assumes your IRA has been funded with pre-tax assets.

Please note: QCD gifts also are possible from IRAs that are funded with post-tax assets, such as Roth IRAs, though considerations are slightly different. We would be happy to discuss.

Frequently Asked Questions

Why are these gifts tax-smart?

IRA QCD gifts are usually made from pre-tax assets, and the gift is not taxable at the state or federal level. Therefore, an IRA QCD gift saves you tax that would otherwise be due had you taken an IRA distribution for yourself.

I will turn 70½ later this calendar year. May I make this type of gift now?

No, you must already have turned 70½ or older at the time the IRA QCD is made.

I'm older than 70½, but I don't need to take Required Minimum Distributions (RMDs) yet. May I make an IRA QCD gift?

Yes. You do not need to be subject to RMDs to make an IRA QCD gift.

I am subject to RMDs. How does an IRA QCD work in conjunction with them?

An IRA QCD counts toward your RMDs. If you already have satisfied your RMDs for the year, you may still make IRA QCD gifts.

Is there a floor and/or ceiling for these types of gifts?

There is no minimum amount ("floor") for this type of gift. The maximum amount ("ceiling") of giving this way to all charitable organizations combined is \$105,000 per taxpayer per calendar year. Therefore, for couples, the aggregate maximum is \$210,000.

Who are the best candidates for these types of gifts?

An IRA QCD may be right for you if one or more of the following apply:

- You usually make gifts by check or credit card. Since cash is generally a post-tax asset, using an IRA to make the same gift allows you to make a gift that is pre-tax, and therefore costs you less.

- You don't itemize deductions on your income tax return. An IRA QCD provides a tax benefit because it is not taxed, unlike a distribution from your IRA to you.
- You do itemize deductions on your income tax return. An IRA QCD provides a tax benefit because it is not taxed, unlike a distribution from your IRA to you. Please note, an IRA QCD is recorded on tax returns outside of Schedule A.
- You itemize deductions on your income tax return and already have made charitable gifts of cash that equal or exceed 60% of your adjusted gross income (AGI) for the current tax year, maxing out your income tax charitable deduction. IRA QCD gifts allow you to make additional charitable gifts and still gain tax benefits.
- You would like to make a larger than usual charitable gift, and your IRA contains assets that you can afford to direct to charitable organizations.

Is there a certain time of year that these types of gifts should be made?

IRA QCDs may be made at any time of the year. If you would like to achieve your gift in a certain tax year, we suggest that you initiate it by December 1 of that year.

May I make an IRA QCD from any of my retirement plans?

If your IRA is considered to be a traditional IRA, you may use it to make an IRA QCD. Inherited IRAs and Roth IRAs typically also fall into this category. Gifts from 401(k), 403(b), and 457 plans are not eligible for IRA QCDs, nor are gifts from employer-sponsored retirement plans, such as SIMPLE and SEP IRAs.

Additional Information

- Your gift may be directed to current-use support or to an existing endowed fund. It also may be used to make all or part of a pledge payment or to establish an endowed fund, assuming organizational minimum funding requirements are met.
- Your gift must be made directly from your IRA to an eligible charitable organization. Gifts made with a donor's personal check or credit card are not IRA QCD gifts.
- Your gift may be an outright gift to the charitable organization, or, under certain conditions, it may be used to fund a gift that produces income for you or others, such as a charitable gift annuity. Before proceeding, please contact us for details.
- You may not make an IRA QCD gift to a donor-advised fund, a private foundation, or a supporting organization.
- You may have heard this type of gift informally referred to as an "IRA rollover gift."

This content is offered for informational purposes only and is not intended to be tax or legal advice. Please consult your advisors for applicability to your own situation.

How to make an outright IRA QCD gift to BMC

Thank you for deciding to support BMC in this way. Here are the steps we suggest:

We suggest you initiate your gift by December 1 to ensure it provides you the calendar year tax benefits you intend.

Please contact Kristine Otto, Director of Gift Planning, or another contact you have in BMC's Office of Development to let us know your gift is on its way and inform us how you would like it to be used at BMC.

Contact your IRA administrator to let them know you would like to make a qualified charitable distribution (QCD) from your IRA. Ask for any specific instructions they have, including the process they follow (see next step).

Your IRA administrator's process will likely be one of these 4 ways. (Please see the following section for the address for physical checks.)

Physical check made out to Boston Medical Center and mailed directly to Boston Medical Center (most common).

Physical check made out to Boston Medical Center and mailed to you for forwarding to Boston Medical Center.

Wire transfer from IRA administrator to Boston Medical Center.

Please contact Kristine Otto for wire transfer instructions.

Physical check that you write from your IRA checkbook, made out to Boston Medical Center and mailed directly to Boston Medical Center.

Physical checks should be made out to "Boston Medical Center" as noted above. In addition, the account holder's name should be printed on the check (or accompanying documentation) and sent to this address:

Kristine Otto, Director of Gift Planning
Boston Medical Center, Office of Development
960 Massachusetts Avenue, 2nd Floor
Boston, MA 02118

If your IRA administrator says they have BMC's address on file, kindly confirm the address includes "Office of Development."

Your personal contact

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bmc.org/giftplanning
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