

QUALIFIED CHARITABLE DISTRIBUTION

A Tax Efficient Way to Meet Your Charitable Goals and Make Use of Your Required Minimum Distribution

A qualified charitable distribution (QCD), also known as an IRA charitable rollover, is a tax efficient way for those over the age 70½ to give to qualified charities by transferring up to \$105,000 annually directly from their IRA.

Another unique way to give is by making a one-time qualified charitable distribution (QCD) to fund a Charitable Gift Annuity (CGA) with a charity up to \$53,000. A CGA is a combination of a charitable gift and an annuity that provides an income stream for life.

NUTS AND BOLTS OF A QCD

- 1. Who should consider:** Individuals who are at least 70½ and want to make a tax efficient gift to charity using funds from their IRA.
- 2. Required Minimum Distribution (RMD):** If you're required to take a minimum distribution from your IRA, transferring all or part of the distribution to a qualified charity may satisfy your RMD for the year in which you make the gift. Plus you will not pay taxes on the amount transferred to charity. Otherwise, the amount distributed directly to you is taxed as ordinary income. In 2024, the age in which you must take an RMD is 73.
- 3. How to make a QCD gift:** Contact your IRA custodian and tell them you would like to make a QCD gift to the University of Wyoming Foundation at 222 S. 22nd Street, Laramie, WY 82070.
Tax ID: 83-0201971
- 4. Timeline:** Allow two weeks processing time from when you notify your IRA custodian you'd like to make a gift to the time charity receives the transfer. Your QCD gift must be deposited by the receiving institution by December 31 to count for the current tax year.
- 5. Taxable income and charitable deductions:** A qualified charitable distribution is a non-taxable event, which means you will not recognize any income but will also not receive a charitable deduction.

OTHER GIFT OPPORTUNITIES

Beneficiary Designation: IRAs present a great way to support UW while avoiding tax burdens for your heirs. When an IRA is designated to benefit an heir, that person inherits the tax liability associated with the IRA account along with the assets. However, the tax liability is not transferred when you name a charity, such as the University of Wyoming Foundation, as the beneficiary. You can make a lasting impact while minimizing your heirs' tax burden.

QCD AND COWBOY JOE CLUB CONTRIBUTIONS

QCD can be used to make contributions to benefit Wyoming Athletics and the Cowboy Joe Club. However, in accordance with IRS guidelines, QCD contributions may not be used for membership benefits associated with the Cowboy Joe Club including seating and parking.

Please note that the information in this flyer is not intended as investment, tax, or legal advice. Please contact your trusted tax, financial, or legal advisor for such advice before making a gift.



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