

### ***How to Make a Qualified Charitable Distribution (QCD) From Your IRA in 2023***

If you are at least 70½ years old, you are eligible to make a qualified charitable distribution (QCD) from a traditional or Roth IRA. Amounts distributed to support the Darden School Foundation will be excluded from federal income.

#### **Know the Details**

- You must be **at least 70½ years old** on the date of the distribution to charity.
- Distributions must be made **from an IRA**, including inactive SEP and SIMPLE plans. Distributions from any other type of retirement plan (e.g., 401(k), 403(b), 457, Keogh, active SEP and SIMPLE and other qualified, pension or profit-sharing plans) will not qualify.
- Outright QCD distributions are currently limited to **\$100,000 in the aggregate** during each year. Starting in 2024, the maximum annual amount for QCDs will be indexed for inflation.
- A distribution must be made **outright** to a **qualified public charity** and cannot be used to fund a donor advised fund or private foundation.
- A QCD may fund a **charitable remainder trust** or **charitable gift annuity** up to a maximum once-in-a-lifetime amount of up to **\$50,000**. This amount will be indexed for inflation starting in 2024.
- Your plan administrator **must transfer the QCD funds directly** to the charity; you may not receive the distribution first and then transfer it to the charity.
- The distribution **must be received** by the charity on or before **31 December 2023** to be counted in the 2023 tax year.
- QCDs used to make outright gifts will be **excluded from federal taxable income**. If you use a QCD to fund a charitable remainder trust or charitable gift annuity, you will avoid immediate recognition of taxable income, but payments you receive from the trust or annuity will be taxed as ordinary income. You **cannot claim an income tax charitable deduction** for a QCD gift. Some states may treat distributions as income followed by a deduction. Please consult with your tax adviser to learn more.
- QCDs typically count toward your required minimum distribution (RMD) if you are required to take one. Making a QCD gift will reduce the value of your IRA and, consequently, the amount of mandatory taxable income you will be required to take from future RMDs.

*For a more complete description of the IRS regulations, please see the most recent version of IRS Publication 590-B, Distributions from Individual Retirement Arrangements (IRAs), at <https://www.irs.gov/publications/p590b>.*

#### **Support Your Passion!**

You may contribute your QCD gift to the University or any of its schools, units, programs or related foundations. **For a distribution to Darden, please designate the Darden School Foundation, tax ID #54-6046419, as the recipient of your gift.**



You may further designate your gift for **either unrestricted or restricted use** by Darden. If you wish to restrict your QCD to support a particular program or priority, we recommend you contact us first to review your intended provisions so we can be certain we can carry out your wishes.

We welcome the opportunity to speak with you and answer any questions. Please contact Mary Katherine Barbour at [plannedgiving@arden.virginia.edu](mailto:plannedgiving@arden.virginia.edu) or +1-434-924-4783. Thank you for your generosity.

This information is not intended as tax, legal or financial advice. Consult your personal financial adviser for information specific to your situation.