

Tax-Free Gifts from Retirement Accounts

A popular gift option allows you to give any amount up to \$100,000 per year from an eligible retirement account other than a Roth IRA. Giving from your IRA directly to a qualified charity such as Wittenberg allows you to make charitable gifts without having to pay income taxes on the money.

An IRA Charitable Rollover Gift, also known as a Qualified Charitable Distribution (or QCD):

- May satisfy your annual required minimum distribution up to the amount of your gift.*
- Allows you to give from pre-tax assets, and your distribution is excluded from taxable income.
- Helps avoid limits on charitable deductions and prevents you from being pushed into a higher tax bracket.
- Simplifies the giving process. It's easy to do – just notify your IRA custodian.
- Minimizes the effect your giving has on your cash flow. The gift is from your assets, not your checkbook.

*If you reached the age of 70 ½ on or before Dec. 31, 2019, you can use your gift to satisfy all or part of your required minimum distribution (RMD) for the year. If you turn 70 ½ on or after Jan. 1, 2020, you can use your gift to satisfy all or part of your RMD starting at the age of 72.

You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction – you benefit even if you do not itemize your deductions. Since the gift does not count as income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax.

LEGACY GIFTS USING RETIREMENT ACCOUNTS

Retirement plan accounts are one of the most highly taxed assets to leave to family and loved ones; conversely, they are one of the most tax-efficient assets to give to Wittenberg that will pass your light on to others. In addition to benefiting now from making an outright distribution from your IRA, you can avoid excessive taxation of this asset by naming Wittenberg University as the beneficiary of your retirement account. Simply request a Change of Beneficiary form from your plan administrator, then contact us to discuss how you would like Wittenberg to put it to work.

HOW DO I TRANSFER AN IRA GIFT?

1. Contact the Office of Planned Giving at 937-327-7430 or planned-giving@wittenberg.edu for additional information on giving an IRA gift or for a sample letter that you can send to your IRA administrator.
2. Seek the advice of your financial or legal advisor.
3. Ask your IRA administrator about making a direct transfer to Wittenberg or have the administrator send a check from your account directly to us (to be tax-free, the donation must go directly from your account to Wittenberg without passing through you).

Note: Wittenberg must receive your gift by Dec. 31 for your donation to qualify for the current year. Please be sure that your IRA administrator sends a check several weeks before then in order to give us time to receive and process your gift.

Wittenberg University (federal tax ID number 31-0537177) is an Ohio nonprofit corporation exempted from federal income tax as a 501(c)(3) publicly supported charity. Wittenberg University does not provide legal, tax, or financial advice. When considering planning matters, seek the advice of your own legal, tax, or financial professionals.

OFFICE OF PLANNED GIVING

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