

QUALIFIED CHARITABLE DISTRIBUTION

A tax-wise gift from your individual retirement account (IRA)

A qualified charitable distribution (QCD) is a giving technique that enables donors age 70 ½ or older to transfer up to \$108,000 directly from their IRA (or IRAs) to one or more qualified public charities in 2025. Utilize this tax-savvy giving strategy to support the areas at Duke you care about most.

Potential Benefits

For you

- Transfer up to \$108,000 in QCDs in 2025. This dollar limit changes annually.
- Avoid or defer additional taxable income, which may allow you to avoid a higher tax bracket.
- Satisfy some or all of your annual required minimum distribution (RMD) if you are at least 73 years old.
- Direct the funds to support the Duke students and programs most important to you.

For Duke

- Apply this unique gift to make an immediate or future impact at Duke.
- Satisfy your multi-year commitment to the Annual Fund and other areas at Duke.
- Have your gift count toward your Duke reunion year.
- Establish a financial aid scholarship or other permanent endowment fund, with a name of your choosing.

Factors to consider

- Donors must be at least 70 ½ on the date of the QCD gift. Taxpayers generally must begin taking required minimum distributions from IRAs at age 73.
- The QCD is available only for gifts from a traditional IRA and not from any other type of retirement plan such as a 401(k), 403(b), 457, Keogh, ESOP, etc.

- A QCD may only be used for outright gifts to a qualified public charity like Duke for which the donor receives no benefits in exchange.
 - For example, you cannot use a QCD to contribute to a donor-advised fund, for the right to purchase tickets through the Iron Dukes, or to reserve burial space in the Memorial Garden at the Sarah P. Duke Gardens.
 - One exception to this rule: under certain circumstances, a QCD may be used to establish a charitable gift annuity that will make lifetime payments back to the donor and/or the donor's spouse.
- Eligible donors can give up to \$108,000 in 2025 from their IRA(s). A married couple with separate IRAs can donate up to \$108,000 each from their respective IRAs. Different rules apply if a QCD is used to establish a charitable gift annuity.
- A QCD transfer is not typically subject to federal income tax, unless made from documented after-tax contributions to the IRA. Some states treat the QCD like a withdrawal for state tax purposes, but this varies from state to state. There is no charitable income tax deduction for the QCD transfer, but the QCD amount will be excluded from your taxable income in the year of the transfer.
- The gift should be transferred from the IRA directly to the charity. The donor should not accept any distribution of funds intended for a QCD. Your plan administrator can provide instructions on its process for initiating a QCD.

Example of how a QCD might be a tax-wise move: QCDs are tax-free withdrawals that are excluded from your taxable income, whereas non-charitable withdrawals from a traditional IRA must typically be included in your adjusted gross income (AGI) – potentially placing you in a higher tax bracket. If you take an IRA withdrawal directly, then make a charitable gift to Duke equal to the amount withdrawn, you typically receive an income tax deduction, but it may only partially offset the taxes incurred due to the increase in AGI. By contrast, if you make the gift using a QCD, the withdrawal is tax-free, thus reducing your overall taxable income in the year of the gift.



Another option

Use a QCD to establish a charitable gift annuity: A qualifying taxpayer can transfer funds from an IRA to establish a charitable gift annuity, a vehicle that provides fixed income payments to a donor and/or their spouse for their lifetime(s), and a future gift to support the donor's favorite area(s) at Duke. Requirements and restrictions apply; contact Duke's Gift Planning Office to learn more.

How to get started

1. **Check with your financial advisor** about whether a QCD gift is right for you. If it's a good fit, your advisor or account administrator can help you initiate the QCD transfer.
2. **Contact Duke's Office of Gift Planning** today to inform us of your gift. Our charitable planning professionals are available to work with you and your financial advisors.
3. **Your IRA custodian can send the check to:**
Duke University, Alumni and Development Records
Box 90581, Durham, NC 27708
Phone: 919-684-2338 Duke University's Tax ID: 56-0532129

Connect with us to get started

EMAIL: giftplanning@duke.edu

PHONE: (919) 681-0464

WEBSITE: giving.duke.edu/giftplanning

BLOG: giving.duke.edu/blog

This information is provided with the understanding that neither Duke University nor the authors are providing legal, accounting, or other professional advice or counsel. Please consult your personal counsel about the financial, tax, and legal implications of any gift.