



MAKE THE MOST TAX-SMART GIFT

a gift from an individual retirement account



If you are 70 ½ or older, you can use your traditional Individual Retirement Account (IRA) to advance world-class patient care and to pioneer research at Massachusetts General Hospital, while making the most tax-savvy gift. The IRA qualified charitable distribution or QCD, is a way to make a gift to Mass General and enjoy the tax benefits even if you do not itemize deductions.

What are the tax advantages of making a gift from your IRA?

- A withdrawal from your IRA via a QCD is not included in your income, so it doesn't increase your taxes.
- If you are 73 or older, the QCD also satisfies your annual "required minimum distribution" from your IRA. If you don't need your required minimum distribution, you can satisfy your required minimum distribution by making gifts using a QCD to Mass General and avoid paying income tax on these withdrawals.
- With a QCD, you may avoid higher taxes on Social Security benefits and higher Medicare premiums.
- You have the satisfaction of providing immediate support to an area of the hospital you care about.

QCD rules:

- You must be 70 ½ or older at the time of the gift.
- Your gift must be directly transferred from a traditional IRA to Mass General.
- Your gift cannot exceed \$105,000 per year.
- Your gift must be made by December 31 to enjoy these benefits in the year of your gift.

How do you make a QCD from your IRA?

- Contact the financial institution holding your IRA—by phone or visit their website.
- Complete the requested form required to make a "qualified charitable distribution" from your IRA to Mass General.
- Notify Mass General and let us know how you want your gift to be used.

TIP:

To ensure your gift is designated to the area you want, please contact the Office of Planned Giving.

COMMON QUESTIONS

I have a few different types of retirement accounts. Does it matter which account I make my gift from?

Yes, QCD gifts may only come from your traditional Individual Retirement Accounts. 401(k), 403(b), SEP IRA accounts and other retirement accounts do not qualify.

I'm currently 70 but will be 70 ½ this year. May I initiate my IRA QCD now?

Not yet. In the year you turn 70 ½ you can only make a QCD on or after the date you reach age 70 ½. It is not sufficient that you will turn 70 ½ later in the year.

My spouse and I would like to give more than \$105,000. How can we do that?

Annual charitable rollover is limited to no more than \$105,000 per individual each year. A married couple who each have IRAs can both make gifts up to \$105,000 from IRAs that they own.

May I use my IRA QCD as a payment towards an outstanding pledge?

Yes, you may use up to \$105,000 a year towards a pledge at Mass General.

When do I need to make my gift to count towards the current tax year's Required Minimum Distribution?

To benefit from a QCD in the current tax year, we must receive your gift by December 31st. If you have check-writing privileges on your IRA, please mail your check no later than December 15th to give us time to process your gift before the end of the year. If you are making an electronic transfer from your IRA account make sure your IRA administrator withdraws the funds from your IRA account before the end of the year to avoid 50% penalty tax for failing to satisfy your required minimum distribution.

May I use my IRA QCD to pay for an upcoming Mass General event?

No, the gift must generate a 100% deduction equal to the rollover. That means you may not receive any "quid pro quo" benefits for the donation, such as event tickets or sponsorships.

Did you know you can use your IRA to make a future impact at Mass General?

You can name the Mass General as a partial or full beneficiary of your IRA or other retirement plan assets. Gifts by beneficiary designation have the advantages of being flexible, revocable and can be contingent on caring for your loved ones. Visit your administrator's website for a beneficiary form and designate the percentage you would like to give to Mass General.

Because Mass General is tax exempt, when it inherits part or all an IRA or other retirement plan, no income tax is due. An individual who inherits most retirement accounts must pay income tax on all withdrawals from the account.

NEXT STEPS?

WE ARE HERE TO ASSIST

If you have questions, please contact our Office of Planned Giving at (617) 643-2220 or at mghdevpg@mgh.harvard.edu.

When making a gift to Mass General, please use our legal name and tax ID: The Massachusetts General Hospital, a Massachusetts not-for-profit (Tax ID 04-1564655)

Mass General encourages donors to consult with their tax and legal advisors when considering these gifts.