

Retirement Plan IRA Giving

Required Minimum Distributions (RMDs)

RMDs are the minimum amounts that individuals must withdraw annually from their tax-deferred retirement accounts, such as Traditional IRAs, SEP IRAs, and Simple IRAs, once they reach a certain age. The purpose of RMDs is to ensure that individuals eventually withdraw and pay taxes on their pre-tax retirement savings.



Key Rules for RMDs



Starting Age for RMDs:

As of 2024, individuals must begin taking RMDs at **age 73**.



Calculation of RMDs:

This IRS provides a life expectancy factor, which is used to divide the prior year-end balance of the IRA to determine the required withdrawal amount.



Calculation of RMDs:

- RMD withdrawals are taxable as ordinary income.
- Failing to take an RMD results in a penalty of 25% of the required amount not withdrawn (reduced to 10% if corrected in a timely manner).

Next Steps

01

Consult Your Financial Advisor – Discuss with your advisor how an IRA gift fits into your financial and philanthropic goals.

02

Contact Your IRA Custodian – Request a direct transfer to the Greenville Tech Foundation. Tax ID number (57-0565961)

03

Notify Us – Let us know about your gift so we can properly acknowledge your generosity and ensure your intentions are met.

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Qualified Charitable Distribution (QCD)

QCD is a direct transfer of funds from an IRA to a qualified nonprofit organization, allowing donors to fulfill charitable intentions while reducing their taxable income.

**Education is the best investment
we can make today to ensure a
stronger society tomorrow.**



Key Rules for QCDs



Eligibility:

- Donors must be **70 ½** or older to make a QCD.
- QCDs must be made from an IRA (not from a 401(k) or other retirement plans)



Annual Contribution Limit:

Donors can contribute up to \$100,000 per year through QCDs (indexed for inflation under SECURE ACT 2.0)

Benefits for QCDs



Tax-Free Withdrawal

Unlike RMDs, QCDs are not included in taxable income, reducing tax liability.



Satisfies RMDs

Once an individual reaches their RMD age, a QCD can count toward their RMD requirement while benefiting a nonprofit.

“We understand that many young people don’t have the support groups that we had and yet are determined to build a better life for themselves. Greenville Technical College works with these young men and women every day. Many need financial assistance. We just felt the need to help in some way.

We make our donations to the Greenville Tech Foundation by using Qualified Charitable Donations (QCD’s) from our IRAs. Since we are at the ages that require annual IRA distributions which are taxable as ordinary income, we can execute a distribution (QCD) from an IRA payable to the tax-exempt organization (Greenville Tech Foundation). The amount of the QCD applies to help satisfy the Required Minimum Distribution (RMD) for the IRA that year.”

- Darwin and Susan Cline