

Use Your IRA QCD to Support MIT



Just as you can make an immediate impact at MIT by supporting the programs and initiatives you care about through an outright gift to the Institute, you can also support MIT with a Qualified Charitable Distribution (QCD) from your Individual Retirement Account (IRA). A QCD provides the same direct benefit to MIT while also helping you reduce your taxable income.

Who can make a QCD from an IRA? What are the rules?

Individuals aged 70½ or older can make a QCD of up to \$111,000 directly from their IRA to MIT.* A QCD allows you to give directly from your IRA without including the distribution in your taxable income.

To qualify, you must meet following requirements:

1. Be at least 70½ years old at the time of the gift.
2. The funds must be transferred directly from your IRA custodian to MIT.
3. Eligible accounts include: traditional IRAs, Roth IRAs, inactive SEP IRAs, and inactive SIMPLE IRAs.**

A QCD may count toward your required minimum distribution for the year. Because the amount is excluded from your gross income, QCDs are not eligible for a federal income tax deduction.

*The annual QCD limit is indexed for inflation each January.

**Active SEP or SIMPLE IRAs, 403(b)s, 401(k)s, and pension plans are not eligible for QCDs.

How do I make a charitable distribution from my IRA account?

You can ask your IRA custodian to send your gift directly to MIT by wire transfer or check. (The MIT tax ID/EIN is 04-2103594.) Further instructions are available at giving.mit.edu/ira, or you are welcome to contact the Office of Gift Planning at 617.253.4082 or giftplanning@mit.edu. Our team is happy to assist you.

Can I make MIT the beneficiary of my IRA fund?

Yes. You can name MIT as a beneficiary of your IRA to support MIT's unrestricted fund or an area of the Institute that matters most to you.

What are the benefits of making MIT the beneficiary of my IRA?

When you name MIT as a beneficiary of your IRA and let the Office of Gift Planning know of your intentions, you will be welcomed into the Katharine Dexter McCormick (1904) Society, MIT's legacy society for planned giving. Members are invited to the annual appreciation event, receive special invitations to other events, and enjoy ongoing stewardship and communications throughout the year.

How do I make MIT the beneficiary of my IRA?

Request a beneficiary designation form from your IRA custodian and list Massachusetts Institute of Technology as a beneficiary, specifying the percentage you wish to give. You may be asked for MIT's tax ID (EIN 04-2103594).

Can I use my IRA QCD to fund a life income gift?

Yes. As of January 1, 2024, IRA owners age 70½ or older may make up to \$55,000* in QCDs in a single year to establish one or more charitable gift annuities. Multiple QCDs may be made in the same tax year as long as the total does not exceed the \$55,000 limit and all other requirements are met.

IRA owners age 70½ or older may also use a QCD to create a Charitable Remainder Trust (CRT). Because MIT's minimum for establishing a CRT is \$100,000, a donor and their spouse must each contribute at least \$50,000 from their respective IRAs to meet this threshold.

This opportunity may be used in only one tax year during a donor's lifetime. While there are several rules and limitations, some donors find that this option aligns well with their financial and philanthropic goals. We encourage you to consult your financial and tax advisors and to contact the Office of Gift Planning to explore how you and your spouse might benefit.

*This amount is indexed annually for inflation each January.

How do I fund a charitable gift annuity or charitable remainder trust using my IRA QCD?

First, contact the Office of Gift Planning to begin the conversation and obtain the appropriate legal and payment instructions. Then instruct your IRA custodian to make a one-time qualified charitable distribution (QCD) directly to MIT to establish a charitable gift annuity or eligible charitable remainder trust, ensuring the distribution is made directly from your IRA to MIT and that income payments are made to you (and/or your spouse).

Where is support needed most at MIT?

One of MIT's highest enduring priorities is foundational support. This includes flexible funding, which enables us to seize strategic opportunities and remain resilient in the face of ongoing and emerging complexities such as reduced federal research funding and new tax burdens on the returns from our endowment.

Gifts that help MIT attract and nurture extraordinary people are a powerful investment in the future. Such gifts support undergraduate scholarships and MIT's long-standing commitment to financial aid. Likewise, they fund graduate student fellowships that help us recruit leaders in science and engineering, and endow professorships that allow us to retain distinguished faculty and recognize rising stars.

By providing foundational support, you are funding the fundamentals that make breakthroughs possible.

What should I do next?

Start a conversation about QCDs with the MIT Office of Gift Planning by emailing giftplanning@mit.edu or calling **617.253.4082**.

Thank you for supporting MIT!

Disclaimers

This is not legal advice. Any prospective donor should seek the advice of a qualified estate and/or tax professional to determine the consequences of their gift.

For California residents: Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association.

For Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department.

For South Dakota residents: Charitable gift annuities are not regulated by, and are not under the jurisdiction of, the South Dakota Division of Insurance.