



## **Gift planning shapes your legacy – and OLLI's Future.**

### **Required Minimum Distributions**

Those with retirement savings in a traditional IRA or qualified plan must take annual minimum distributions when required or face a penalty on the amount they fail to withdraw. This rule applies whether the taxpayer needs the money or not.

---

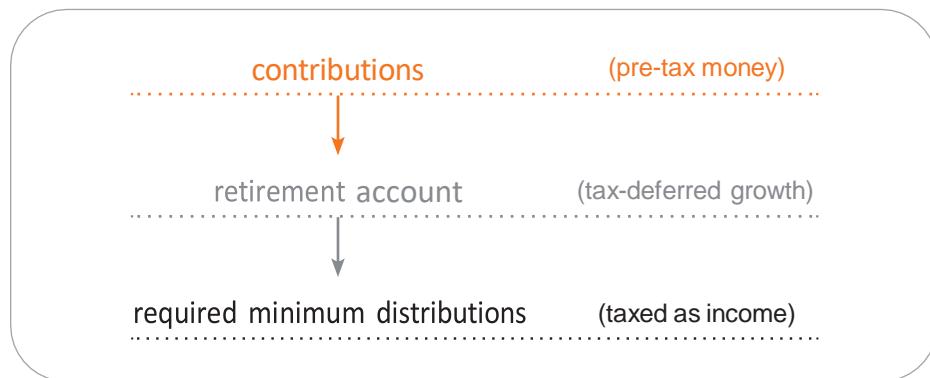
#### **Concept applied:**

Individuals over age 73 with savings in traditional IRAs, 401(k)s, and other qualified plans must take taxable annual required minimum distributions (RMDs) or pay a 25% penalty on amounts that should have been withdrawn.

---

#### **How it works:**

Georgia McCord recently turned 73 and must begin taking RMDs from her IRA, with tax due on each distribution. Georgia makes an annual gift to her favorite charity, but now she decides to make a qualified charitable distribution (QCD) from her IRA. She pays no tax on the QCD, it counts toward her RMD, and the full amount supports our work. She can give up to \$100,000 (annual aggregate limit) under these favorable tax rules. Or, she can make a one-time QCD up to \$50,000 to create a new charitable gift annuity or charitable remainder trust.



#### **Why is it useful?**

Taking full and timely RMDs avoids penalties. Individuals who do not need additional income typically withdraw the minimum amount so the remaining funds will continue to benefit from tax deferral and compound earnings.

---



Anne Kelly-Contini  
*Director, Principle & Leadership Gifts*  
Office: 617-287-4812  
Cell: 781-771-0490  
Email: [anne.kellycontini@umb.edu](mailto:anne.kellycontini@umb.edu)

University Advancement  
100 William T. Morrissey Boulevard Boston, MA 02123

All gifts should be directed to The University of Massachusetts Foundation, Inc. for the benefit of University of Massachusetts Boston.

The University of Massachusetts Foundation, Inc. (herein the "UMF") is a charitable corporation established under Massachusetts General Laws, Chapter 180, and has been designated by the Internal Revenue Service as a charitable entity for tax purposes under Internal Revenue Code 501(c)(3). The UMF is established and operated for the express purpose of aiding and promoting the educational and charitable purposes and lawful activities of the University of Massachusetts. As the supporting foundation to the University of Massachusetts, pursuant to MGL Chapter 15A, Section 37(e), we request that any gifts be made to the UMF. (TIN 04-6013152)

Tax information provided herein is not intended as tax or legal advice and cannot be relied on to avoid statutory penalties. Always check with your tax and financial advisors before implementing any gift.

© Endowment Development Services, a PGI Partners company