



**THE UNIVERSITY OF TENNESSEE**  
**CHATTANOOGA**

## Make a Gift Tax-free with an IRA

*A tax-saving way to support the University of Tennessee at Chattanooga*

Make a difference today and save on taxes. It's possible when you support the University of Tennessee at Chattanooga through your IRA.

### **A special opportunity for those 70½ years old and older.**

You can give any amount (up to a maximum of \$100,000) per year from your IRA directly to a qualified charity such as the University of Tennessee at Chattanooga without having to pay income taxes on the money. Gifts of \$100,000 or less are eligible for this benefit, and you can feel good knowing that you are making a difference for UTC. This popular gift option is commonly called the IRA charitable rollover, but you may also see it referred to as a qualified charitable distribution, or QCD for short.

### **Why consider this gift?**

Your gift will be put to use today, enabling you to see the difference your donation is making.

Beginning in the year you turn 73, you can use your gift to satisfy all or part of your required minimum distribution (RMD).

You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.

Since the gift doesn't count as income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax.

# Frequently Asked Questions and Additional Information

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## **I'm turning age 70½ in a few months. Can I make this gift now?**

No. The legislation requires you to reach age 70½ by the date you make the gift.

## **I have several retirement accounts—some are pensions and some are IRAs. Does it matter which retirement account I use?**

Yes. Direct gifts to a qualified charity can be made only from an IRA. Under certain circumstances, however, you may be able to roll assets from a pension, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer from the IRA directly to the University Of Tennessee at Chattanooga. To determine whether a rollover to an IRA is available for your plan, speak with your plan administrator.

## **Can my gift be used as my required minimum distribution?**

Yes, absolutely. Beginning in the year you turn 73, you can use your gift to satisfy all or part of your RMD.

## **Do I need to give my entire IRA to be eligible for the tax benefits?**

No. You can give any amount under this provision, as long as it is no more than \$100,000 per year. If your IRA is valued at more than \$100,000, you can transfer a portion of it to fund a charitable gift.

## **When do I need to make my gift?**

We must receive your gift by Dec. 31 for your donation to qualify this year. If you have check-writing privileges on your IRA, please mail your check by early December in order to give us time to process your gift before the end of the year.

## **I have two charities I want to support. Can I give \$100,000 from my IRA to each?**

No. Under the law, you can give a maximum of \$100,000 per year. For example, you can give each organization \$50,000 this year or any other combination that totals \$100,000 or less. Any amount of more than \$100,000 in one year must be reported as taxable income.

## **My spouse and I would like to give more than \$100,000. How can we do that?**

If you have a spouse (as defined by the IRS) who is 70½ or older, they can also give any amount up to \$100,000 from their IRA

## **Can I use the transfer to fund life-income gifts like charitable remainder trusts or charitable gift annuities?**

Unfortunately, the law does not permit using a qualified charitable distribution to establish a charitable gift annuity or a charitable remainder trust.

## **I've already named UTC as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?**

By making a gift this year of any amount up to \$100,000 from your IRA, you can see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching your philanthropy take shape. Moreover, you can fulfill any outstanding pledge you may have made by transferring that amount from your IRA as long as it is \$100,000 or less for the year.

## For those 59½ years old or older:

If you're at least 59½ years old, you can take a distribution and then make a gift from your IRA without penalty. If you itemize your deductions, you can take a charitable deduction for the amount of your gift.

## At any age:

No matter your age, you can designate the University of Tennessee at Chattanooga as the beneficiary of all or a percentage of your IRA, and it will pass to us tax-free after your lifetime. It's simple, just requiring that you contact your IRA administrator for a change-of-beneficiary form or download a form from your provider's website.

### Tip:

It's critical to let us know of your gift because many popular retirement plan administrators assume no obligation to notify a charity of your designation. The administrator also will not monitor whether your gift designations are followed. We would love to talk to you about your intentions to ensure that they are followed. We would also like to thank you for your generosity.

With all charitable gifts, it is important to consult with your attorney or financial advisor to ensure that you comply with state laws, you receive maximum tax benefits, and your wishes are accurately reflected in necessary legal documents.

## How to Make a Gift

1. Contact the Office of Advancement at 423-425-4232 or [advancementservices@utc.edu](mailto:advancementservices@utc.edu) to discuss using your IRA to support UTC and our mission.
2. Seek the advice of your financial or legal advisor.
3. To include UTC in your plans, please use our legal name and federal tax ID. Please let us know of your gift (many retirement providers assume no responsibility for letting nonprofits know of your intentions so your goals won't be honored).

**Legal name:** UC Foundation, Inc.

**Legal address:** 615 McCallie Avenue,  
Dept. 6808, Chattanooga, TN 37403

**Federal tax ID number:** 62-0476521

