EPISCOPAL HIGH SCHOOL

The IRA Charitable Rollover Gift Annuity Plan

Give from Your IRA and Receive a Lifetime of Payments

Donors over 70½ can receive a lifetime of payments in return for a contribution to Episcopal from their IRA account. This gift plan combines a charitable gift annuity and a Qualified Charitable Distribution (QCD) from an IRA. Let's see how it works.

Charitable Gift Annuity — A charitable gift annuity is a simple contract between you and Episcopal promising to pay you a fixed amount of money each year for life. The gift annuity contract is issued to you in exchange for your charitable contribution. The amount Episcopal will agree to pay you depends upon your age at the time of your gift and does not change for the rest of your lifetime. Episcopal invests and manages your contribution and your payments are backed by the financial resources of Episcopal. Some or all of the payment you receive each year is taxed as ordinary income.

Qualified Charitable Distribution — A QCD — sometimes called a "charitable rollover" — is a contribution from your IRA directly to Episcopal. You can make a QCD if you are at least age 70½ at the time of your gift. Unlike other distributions from your retirement accounts, you pay no income tax on a Qualified Charitable Distribution, although there is no charitable deduction for your contribution. However, your QCD contribution counts toward your Required Minimum Distributions (RMD) from your IRA without creating taxable income for you.

Charitable Rollover Gift Annuity — Under a new law effective in 2023, some donors can make a QCD in exchange for a charitable gift annuity. There are some rules and limitations:

- You can exercise this option only once during your lifetime.
- There is an aggregate limit of $55,000 for 2026.
- The entire payment you receive from your charitable gift annuity will be subject to income tax.
- You can include your spouse as a recipient of the annuity payment.
- There is no income tax deduction for this contribution, although there is no tax on the QCD either

Please contact Winnie Robinson at whr@episcopalhighschool.org or call (703) 933-4192 for more information. We would be happy to work with you and your advisors to help determine whether this new option is right for you.