

# NORTHEAST COMMUNITY COLLEGE FOUNDATION

## Planned Giving Newsletter

Spring 2025

### ELIGIBLE IRA OWNERS CAN DONATE UP TO \$108,000 TO CHARITY IN 2025 TAX FREE

Individual Retirement Account (IRA) owners age 70½ and older can make up to \$108,000 in tax-free charitable donations during 2025 through qualified charitable distributions. That's up \$3,000 from \$105,000 in 2024.

Qualified Charitable Distributions (QCDs) offer a way for donors to get charitable tax breaks while still taking the standard deduction, which is the amount taxpayers get if they don't itemize deductions on Schedule A. Generally, IRA distributions are taxable, but QCDs remain tax-free if sent directly to a qualified charity by the trustee. Of course, the IRS won't let you double dip. Though your QCD amount is not taxed, you can't also claim the distribution as a charitable tax deduction.

For those age 73 or older, QCDs also count toward the year's Required Minimum Distribution (RMD). It is important to make the QCD before taking any RMD. The first dollars out of an IRA each year, including any QCDs, count as the required payout. So if a donor takes the full RMD before doing any qualified donations, the donations can't offset the RMD.

Each eligible IRA owner can exclude up to \$108,000 in Qualified Charitable Distributions from taxable income. Married couples, if both meet qualifications and have separate IRAs, can donate up to \$216,000 combined.



Report your charitable gift as a normal distribution on your taxes using IRS Form 1099-R. (This only works for IRAs you did not inherit. If you are making a distribution from an inherited IRA or an inherited Roth IRA, your charitable distribution is reported as a death distribution.)

QCD rules only apply to IRAs — they do not apply to 401(k)s, 403(b)s, SIMPLE, or SEP IRAs. For those planning ahead, the QCD limit is subject to annual adjustment, based on inflation.

For more information on QCDs, contact your financial advisor. If you need financial advice, please see the back page for more information.

### BE A ONE-PERCENTER

One percent of something – anything – doesn't seem like a lot. One percent of a dollar is only a penny. One percent of a pie is barely a taste. But one percent of your retirement account, although only a small portion of your estate, could make a big difference to a student at Northeast Community College.

Designating the Northeast Foundation as the recipient of one percent of your retirement account won't have a major impact on your other heirs but it will allow you to leave a legacy gift. Whether you have a traditional IRA or another type of qualified retirement account, if you want to donate a portion of the retirement assets after your death, you can choose to designate a charity as the beneficiary of that account. The charity won't need to pay income tax on this donation, and your



estate may benefit when it comes to estate taxes by reducing the amount your estate owes.

If you decide to designate a charity as the beneficiary of a portion of your retirement account, then you may want to do the following:

- Check with the plan administrator to determine whether there are any restrictions on designating charities as beneficiaries for retirement accounts.
- If you are married, check to determine whether or not your spouse must consent to the designation. This requirement varies by state and plan.
- Contact the charity to get their official name and Federal Tax ID number. Make it known how your donation should be used.
- Request a written confirmation receipt from the plan administrator to make sure they have received a copy of your beneficiary designation.
- Ensure that the individuals responsible for handling your financial affairs receive a copy of the beneficiary designation or know where to find it when necessary.

Contact your financial advisor to learn more about designating a charity as a beneficiary of your retirement account. If you need financial advice, please see the back page for more information.



NORTHEAST COMMUNITY COLLEGE  
**FOUNDATION**

**NORTHEAST.EDU**

801 East Benjamin Avenue  
PO Box 469 | Norfolk, NE 68702-0469



Northeast does not discriminate based upon any status protected by law or college policy. Please go to [northeast.edu/nondiscrimination](http://northeast.edu/nondiscrimination) for details.

## FOUNDERS SOCIETY MEMBERS

Northeast has established the Founders Society to celebrate and thank those individuals who share in the College's dedication to the success of students and the region it serves. The Founders Society is comprised of those individuals who have chosen to include Northeast in their estate plan with a deferred gift for the ultimate benefit of the College and its students.

Planned gifts include bequests in wills or living trusts; life income plans such as gift annuities, charitable trusts, and pooled income funds; and beneficiary designations of retirement plans, brokerage accounts, and life insurance policies.

Anonymous (5)  
The late Nina M. Bahm  
Kendra Barnes  
John & Diana Blaylock  
The late LauraNel Carlisle  
Dr. Michael & Susan Chipps  
Vern D. & the late Lucille Fairchild  
Scott & Angela Gray  
The late Leo Hegr  
Dr. Wade & Kristine Herley  
The late Robert L. & Joan A. Hodgson  
The late Jackson Q. James & the late Donna Mae James  
The late Mahlon B. Kohler

Daniel J. & Dr. Tracy Kruse  
Dave & Ann Lund  
Ed & Corinne Morris  
The late Norman W. Ochsner  
Dirk & Jan Petersen  
Beth Ann & the late Mark S. Pfeil  
Brian & Rose Ann Rogers  
Jeff & Lori Scherer  
Brian & Nicole Sedlacek  
John & Vickie Sehi  
Dr. G. Tom & M. Susan Surber  
Glenice & the late John C. Watson

## NEED ADDITIONAL RESOURCES?

If you are seeking additional financial advice regarding planned giving, please scan the QR Code or visit [northeast.edu/giving](http://northeast.edu/giving) to contact a member of the Northeast Planned Giving Advisory Council.



**Northeast Community College Foundation**  
402-844-7240 | [foundation@northeast.edu](mailto:foundation@northeast.edu)  
[northeast.edu/giving](http://northeast.edu/giving)