

Gifts Through Charitable IRA Rollover

Giving a gift through IRA rollover must first—and always—stem from your goodwill to help our organization to continue our mission and service.

Why Consider This Gift?



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

Beginning in the year you turn 72, 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 does not 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.

You can give any amount (up to a maximum of \$100,000) per year from your IRA directly to a qualified charity such as our organization without having to pay income taxes on the money. Gifts of any value \$100,000 or less are eligible for this benefit and you can feel good knowing that you are making a difference at the Foundation. 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.



Tax Advantages of QCDs

There are many benefits to donating an IRA Rollover including the following:

A QCD allows you to direct transfers to a qualified charity of up to \$100,000 of tax-deferred IRA assets. Funds that have already been distributed from the IRA to the IRA owner and donated to charity can't qualify. The reason is that taxpayers must include taxable IRA distributions in adjusted gross income. QCDs offer advantages over taking a taxable IRA distribution and then contributing the proceeds of that distribution to a charity. Taking an IRA distribution causes the following:

- Income taxes on Social Security benefits may increase.
- (AGI) Limitations for charitable deductions can limit the current deduction of the charitable contribution of IRA distribution proceeds.
- If you are over 70 1/2 you may likely no longer itemize your deductions after January 2018 because of the Tax Cuts and Jobs Act of 2017.
- Medicare insurance premiums may increase.
- If a donor's state income tax law does not allow a charitable deduction but generally follows the federal definition of taxable income (e.g., Massachusetts), making a gift from an IRA is the equivalent of a state charitable income tax deduction. However, every state law needs to be confirmed.

70 1/2 + 

Special Opportunity for Those Who Recently Turned 70 1/2 Years Old and Older

In 2019 the Secure Act increased the age for a taxpayer to begin taking RMDs from 70 1/2 to 72. This development only applies to taxpayers who reach 70 1/2 after 2019. If a taxpayer turns 70 1/2 in 2020 or later, you won't need to start taking RMDs until after attaining age 72. QCDs can still begin at age 70 1/2.

*Get the letters needed in order to make a transfer directly from your IRA. (use this hyperlink)
<https://directionmemo.documate.org/run/playground2/QCD%20Package/#1>*



For your gift to qualify this year, we must receive it by Dec. 31.

Please mail your check by Dec. 20 allowing us time to process your gift before the end of the year.



Making the Contribution

To contribute, contact the charity to determine the exact payee for the check. You can instruct your IRA custodian to transfer from the IRA directly to the charity. The charity must receive the payment directly from the IRA custodian or trustee and provide the donor with a contemporaneous written acknowledgment (the same as for an outright gift).