

>>> IRA charitable rollover

An Easy Way to Help Your Community



If you are 70½ or older, rather than simply take an IRA withdrawal this year, you can direct your IRA administrator to distribute a gift from your IRA to our organization. Any amount you transfer counts against your Required Minimum Distribution, and you can direct up to \$100,000 to your favorite causes this year.

HOW THE REQUIRED MINIMUM DISTRIBUTION (RMD) WORKS

Once IRA owners reach age 70½, they must take a withdrawal from their IRA each year. This is known as the Required Minimum Distribution (RMD). The RMD requires the IRA owner to withdraw a certain amount based on the owner's age and the balance of the IRA.

The RMD from a traditional IRA is subject to income tax. The RMD can push some IRA owners into a higher tax bracket.

SEE YOUR GENEROSITY IN ACTION

There is a popular gift option that allows you to make a gift from your IRA directly to the charity. It is called the IRA Charitable Rollover, but you may see it referred to as a Qualified Charitable Distribution or QCD. The IRA Charitable Rollover allows IRA owners to support their favorite causes using pre-tax assets. In addition, the amount of the IRA rollover gift will count against the IRA owner's RMD. With a rollover gift, the distribution to charity is not subject to tax. That's a tax-smart way to give!

WHAT ARE THE TAX BENEFITS OF AN IRA ROLLOVER GIFT?

An IRA Charitable Rollover has several significant tax advantages. It allows you to give up to \$100,000 directly from your IRA to charity using pre-tax assets. If you do not itemize, or are subject to charitable deduction limits, the IRA rollover still allows you to give in tax-advantaged ways. An IRA rollover gift could also help you avoid income that could push you into a higher tax bracket.

For further information about becoming a Leadership Donor, please contact: Katie Kobe Kent at Katie.Kobe@graniteuw.org or 802.356.7892.



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HOW DOES THE IRA CHARITABLE ROLLOVER WORK?

Step 1: Contact your IRA custodian to tell them you intend to make a “Qualified Charitable Distribution.” Many custodians will provide you with a form that they will ask you to use to complete your gift. If your custodian does not have a form and they ask for written instructions, please contact us. We can provide you with a sample letter that you can use.

Step 2: Complete your custodian form or letter and mail it back to your IRA custodian.

Step 3: Once your IRA custodian receives your instructions, they will send your gift to us.

WHAT IF YOU HAVE A 401(K) OR OTHER RETIREMENT ACCOUNT?

The IRA rollover only applies to IRAs. If you have a 401(k) or other retirement account that requires minimum distributions, you cannot make an IRA rollover gift. However, if the idea of benefiting from the IRA charitable rollover appeals to you, it may be possible to roll over funds from your other accounts into an IRA and then make a rollover gift. Talk with your advisor about whether this option makes sense for you.

IS MAKING A ROLLOVER GIFT RIGHT FOR YOU?

- It is easy to make—just notify your IRA custodian.
- You can give from pre-tax assets—which is a nice tax benefit.
- The distributions can satisfy all, or part, of your Required Minimum Distribution and are not subject to the IRS’s charitable deduction limits.
- It minimizes the effect on your cash flow; the gift is from your assets, not your checkbook.
- It allows you to make a significant gift to support our cause.

If you have decided to make an IRA rollover gift to our organization, please let us know. More often than not, IRA custodians send a check without any indication as to the source of the gift. If we know your gift is coming, we can be sure to give you credit for your gift and say thank you.

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