

## **TAX-FREE IRA ROLLOVER GIFTS NOW AVAILABLE!**

The Emergency Economic Stabilization Act of 2008 (H.R. 1424) is now law.

Effective immediately, in the specific circumstances listed below, qualified donors may now withdraw money from an IRA—free from federal taxes—and use those funds to make your charitable gifts! Whether you're considering a Friends of Scouting gift or a large capital or endowment gift, the new law offers some great gift opportunities.

Here are some specifics:

You are limited to a total of \$100,000 per year, per person, and distributions can be made from more than one IRA. So, a couple with separate IRAs can give a total of \$200,000 per year.

Tax-free gifts must be made from traditional IRAs or Roth IRAs—not from pension plans, stock option plans, etc.

A donor must be age 70½ or older at the time the gift is made.

IRA withdrawals and gifts should go directly to the local council or charity from the IRA plan administrator.

The IRA distribution to charity is not included in your income, but you will not receive a tax deduction for the gift.

Rollover gifts to charity will count toward the IRA's annual minimum required distribution requirements.

Rollover gifts must be outright gifts to charity; you may not use them to create a gift annuity, charitable remainder trust, or other deferred gift.

Who will most benefit from the new tax-free IRA rollover gifts? In general, these gifts are best for the following types of donors:

Donors who do not itemize their deductions (this is about 75 percent of all taxpayers).

Those who have already “maxed out” their charitable deductions for the year (this allows them to contribute and deduct more than the normal 50 percent AGI limitation).

Those who want to reduce their taxable income and also make generous gifts (IRA gifts aren't subject to reductions or “phase-outs,” and may reduce tax on other income such as Social Security).

You may choose to make an IRA rollover gift just because it's easy! Ask your IRA plan administrator to withdraw the amount of your gift and distribute it directly to your BSA local council or other charities. Make sure he or she has the current address and/or bank

transfer instructions for the BSA council or charity. Also, give your plan administrator enough time to complete the transfer before year-end.

Please discuss these gifts with your own family and advisers. IRA assets left in an estate are potentially hit with double taxation—both estate AND income taxes. Your IRA assets may be your most costly estate assets to pass on to heirs. So talk to your family and financial advisers. They'll help you decide if IRA rollover gifts will meet your financial needs and objectives.

Thank you for your continuing support of Scouting. Talk to your advisers about these new gifts, and please call the council for more information about what your gifts can do for Scouting and the young people in your community.

*The purpose of this memo is to provide general educational information about charitable gifts and financial planning. It is not intended as legal, accounting, or other professional advice. Assistance with these matters should be obtained from appropriate advisers.*