

IRA Charitable Rollover—Now Available Through December 31, 2011

Posted December 2010

In what is becoming a biennial ritual, Congress has once again extended the popular IRA charitable rollover, a wonderful giving opportunity that applies to transfers through December 31, 2011. In summary, if you are 70½ and older, you may transfer up to \$100,000 free of tax directly from your IRA to a qualified charitable organization.

Is this the right gift for you to make? Yes, if:

- You do not need additional income from your IRA, you can benefit because the transfer will count toward your minimum distribution requirement.
- You live in a state where a charitable deduction is not allowed for state tax purposes.
- You do not itemize, you can make a gift without the amount of the gift included as taxable income.
- You have, or would like to make, contributions in excess of the annual 50% limitation on deductibility for charitable contributions.
- Your major liquid asset is your IRA.
- You have an enforceable charitable pledge, you can use the transfer to satisfy the pledge without violating the rules against self-dealing.

What are the requirements and restrictions for making this gift?

- You must be 70½ or older.
- The gift must be made directly from the IRA to a qualified charitable organization.
- Gifts cannot exceed a total of \$100,000 for the year.
- Gifts must be outright.
- Gifts cannot be made to a donor advised fund or supporting organization or to fund a charitable life-income agreement.
- The gift is not included in taxable income, and no charitable income-tax deduction is allowed.
- The gift can only be made from an IRA. 401(k), 403(b), and 457 plan gifts are not permitted.

What steps should you take to make a gift?

- Contact your IRA custodian for directions on how to initiate the transfer.
- Contact our office about your gift and for any other assistance we may be able to provide in requesting the transfer and completing the gift.