

IRA Charitable Rollover

IRA Charitable Rollover Basics

The IRA Charitable Rollover allows people age 70½ and older to make direct transfers totaling up to \$100,000 per year to qualified charities, without having to count the transfers as income for federal income tax purposes.

Transfers must come from your IRA directly to the qualified charity. If you have retirement assets in a 401k, 403b etc., you must first roll those funds into an IRA, and then you can direct the IRA provider to transfer the funds from the IRA directly to the charity.

IRA Charitable Rollover Gifts to BCF

While it's not possible to direct an IRA charitable rollover gift to a donor-advised fund, there are many other types of funds that can receive this type of gift. Whether you want to simply give back to Baltimore, address an issue you care about, or benefit one or more specific organizations, we can work with you to identify the options that best meet your goals. Please contact our Donor Services Department at 410-332-4171 or giving@bcf.org if you'd like to talk about the possibilities.

Frequently Asked Questions

Here are answers to some frequently asked questions about IRA Charitable Rollover gifts. To find out more, please contact BCF's Donor Services Department at 410-332-4171 or giving@bcf.org.

Q: To what charities can I make IRA Charitable Rollover gifts?

A: Charitable IRA Rollover gifts must be directed to tax exempt organizations that are classified as 501(c)(3) charities, such as the Baltimore Community Foundation. Specific programs or funds can be designated as part of the gift process.

Q: Can I use the IRA Rollover to fund life-income gifts such as charitable gift annuities, charitable remainder trusts, etc.?

A: No, these are not currently eligible.

Q: What are the tax implications for me?

A: The transfer to the charity does not count as income for

federal tax purposes and is not taxed as such, provided it goes directly from the IRA provider to the charity. However, the IRS does not allow for an income tax charitable deduction for your gift.

Q: Does this transfer qualify as my minimum required distribution?

A: Yes, IRA Charitable Rollover gifts do count towards the minimum distributions required for people who have reached age 70½. You may do transfers from a number of accounts; the combined total cannot add up to more than \$100,000 per year.

Q: What is the procedure to execute an IRA Charitable Rollover?

A: Contact your plan provider to learn their procedures. We also offer a sample letter (see reverse) you can send to your plan provider to initiate an IRA Charitable Rollover gift to BCF. Make sure that you contact us when you direct the rollover so we can look for the check from your plan provider.

Q: Who can benefit from an IRA Charitable Rollover?

A: IRA Charitable Rollover gifts are an excellent option for you if any of these apply to you:

- Are already making charitable contributions at your deduction limit, but want to do more.
- Your income level causes the phase out of your exemptions or itemized deductions (limitations reinstated January 1, 2013.)
- You do not itemize deductions.
- Additional income from your required IRA withdrawals will cause more of your Social Security income to be taxed.
- You wish to remove up to \$100,000 from your taxable income.
- You would like to avoid the possibility that the government will impose taxes of up to 60% on IRA funds not distributed during your lifetime.

For more information, Please contact BCF's Donor Services Department at 410-332-4171 or giving@bcf.org.



Sample Letter to Your Plan Provider

[Your contact information here]

[Your IRA administrator's information here]

RE: IRA rollover gift

Dear _____,

Federal legislation now permits a rollover directly from an IRA to a qualified public charity. As the owner of IRA account # _____ that is in the custody of your organization, I request that you transfer from that account the sum of \$ _____ to the Baltimore Community Foundation, 2 E. Read Street, Baltimore, MD 21202. The Treasury Tax ID Number for the Baltimore Community Foundation is 23-7180620.

It is my intention to make a Qualified Charitable Distribution (QCD) to this charity from my IRA, which may fulfill part or all of my IRA required minimum distribution for this year. This letter is sufficient authorization for you to make this QCD gift. However, if you require any further documents, please promptly send or preferably email *[your email address here]* those to me.

Thank you for your assistance with this matter.

Cordially yours,

[Your name]

[Phone number]