



“IRA CHARITABLE ROLLOVER”

The “IRA Charitable Rollover” is an attractive option for IRA owners who have reached age 70½. Ordinarily, an IRA owner must report withdrawals as income and pay income tax on them. The charitable IRA rollover provisions allow IRA owners over age 70 ½ to direct gifts from their IRAs to qualified charities – gifts that would count toward the IRA owner’s minimum distribution requirement (MRD) and not be reportable as taxable income (up to \$100,000).

Direct gifts to charity from the IRA will not qualify for an income tax charitable deduction – resulting in a tax break for those who do not itemize deductions and for those whose charitable gifts may exceed the deduction limits.

Please contact **Danielle LaCavalla**, *Director of Communications and Development* about inquiries giving through from your IRA. Email: daniellel@nysef.org, Phone: 518- 946-7001 X 27

THE STATUTORY REQUIREMENTS FOR A “QUALIFIED CHARITABLE DISTRIBUTION” ARE AS FOLLOWS:

- ☞ The distribution must be made from an IRA (other retirement accounts are not eligible).
- ☞ The recipient must be an eligible charitable organization such as the New York Ski Educational Foundation (a 501c3 not-for-profit organization).
- ☞ The IRA’s owner must be at least 70½ years of age.
- ☞ The distribution must be made directly to the charity by December 31.
- ☞ The distribution must otherwise be fully deductible as a charitable contribution.
- ☞ The distribution must otherwise be included in gross income.

FREQUENTLY ASKED QUESTIONS

What are the deadlines to complete a gift?

Distributions by wire transfer must be received in the NYSEF’s account by December 31 annually. Distributions by check must have a postmark (on the envelope) no later than December 31 of the same tax year. Because of the high volume of year-end gifts, contact your IRA administrator as soon as possible to allow enough time for them to issue your gift before the end of December.

Will there be an opportunity to make IRA charitable rollovers retroactively in the spring following the tax year as was permitted in previous years?

No. Eligible gifts must be received or postmarked by December 31.

May I make a gift from my IRA if I have already taken my required minimum distribution (RMD)?

Yes. You can exclude up to \$100,000 (for each IRA account owner) from gross income for qualified charitable donations. While the donation counts toward your RMD, it is not limited by your RMD.

May I contribute more than \$100,000 to a qualified charity from an IRA?

Yes, however, the law limits the exclusion from gross income to \$100,000. Charitable contributions from an IRA in excess of the \$100,000 must follow the general rules pertaining to percentage limitations and itemized contribution reductions.

Are IRA distributions already taken by me eligible to gift as qualified charitable distributions?

No. You can, however, make gifts from IRA distributions that do not meet the requirements of a qualified charitable distribution. In such cases, the IRA distribution would be recognized as income for income tax purposes and would typically be eligible for a federal income tax charitable deduction.

Is my IRA charitable rollover gift eligible for an income tax charitable deduction?

No. Donors of qualified IRA gifts do not receive a federal income tax charitable deduction for the IRA gift, as they are not being taxed on the withdrawal.

Are there other tax advantages to making a gift through a qualified IRA?

Yes! Qualified IRA gifts are not subject to percentage of adjusted gross income (AGI) limitations for charitable contributions and are not reportable as income for federal income tax or for Social Security income purposes. In most states the amounts withdrawn are not subject to state income taxes. Donors who do not itemize deductions on their federal income tax returns may benefit from qualified IRA gifts because of the gifts' exclusion from gross income. Amounts withdrawn from an IRA account are removed from the donor's taxable estate. We urge you to consult your tax advisor to learn which benefits apply to your specific situation.

What types of charitable gifts are not eligible for IRA charitable rollover gifts?

Most gifts to a private foundation, donor-advised fund, or supporting organization are not eligible. Gifts to a charitable remainder trust, lead trust, pooled income fund, or charitable gift annuity are also not eligible. Gifts for which the donor receives a benefit that reduces the donor's tax deduction—such as tickets or dinner—are not eligible.

Are gifts from retirement plans other than an IRA eligible?

No. However, donors may be able to make qualified transfers from their pension or retirement plan—such as a 401(k) or 403(b)—to their IRA, and then make a charitable gift from their IRA account.