

(draft newsletter article. Please note: If you choose to use only a portion of this text, please include the last sentence. Thank you!)

The IRA Charitable Rollover is Back!

Seniors have a special opportunity to make charitable gifts directly from their IRAs to the church.

This is the same opportunity that was available during 2006 and 2007 and has now been extended through the end of 2009. Although still temporary, the opportunity is now available through December 31, 2009, and is retroactive for any such gifts made during 2008.

You can make distributions directly to one or more charities from your IRA if you are at least 70 ½ years old when you transfer the gifts. Such gifts may be made without increasing your taxable income or withholding.

And these transfers to the church count towards mandatory withdrawals, and will NOT subject your Social Security income to higher tax levels.

*Jack has \$200,000 in an IRA and will be required to withdraw \$10,000 this year. Jack decides to authorize the trustee of the IRA to transfer \$5,000 **directly** to the church and \$5,000 to himself. He will not be subject to tax on the \$5,000 distributed to charity.*

Giving from an IRA rather than other assets may be especially appropriate if:

- you are required to take distributions but do not need them for living expenses, OR
- you use the standard deduction rather do not itemize deductions, OR
- you plan to leave money to charity from your IRA at death anyway, OR
- you would not be able to deduct all of your charitable contributions because of deduction limitations, OR
- you may lose some of your itemized deductions because of your income level.

Certain limitations apply to these non-taxable charitable distributions from an IRA:

- Gifts must be made directly from your IRA to a public charity – they cannot be made to a private foundation, a supporting organization or a donor advised fund.
- The gifts can only be made during 2008 and 2009.
- You must be at least 70 ½ years of age when the gift is transferred.
- The gifts must be outright. For instance, they cannot be used to establish a charitable gift annuity or fund a charitable remainder trust.

Prior to completing this charitable gift, please check with your IRA Administrator and your tax advisor.