



IRA-TO-CHARITY ROLLOVER

"Just last year, we had a family who wanted to preserve their annual gifts to a local college," shared Linda Carter, President/CEO of the Community Foundation of Broward. "They used IRA assets to create a Fund in their name which will grant an annual gift to this college in perpetuity. This saved them taxes, while fulfilling their wish to build educational programs and resources for our community."

Through December of 2013, holders of traditional IRAs (including Roths and Rollovers) who are at least 70½ years old can make qualified charitable distributions of up to \$100,000 per year free from federal income tax.

This IRA to Charity Rollover is especially beneficial to:

- ◆ Donors who do not itemize their deductions
- ◆ Donors who lose tax deductions as their AGI increases
- ◆ Donors who are subject to the 50% annual charitable deduction
- ◆ Those for whom IRA distribution income will cause more of their Social Security to be taxed
- ◆ Wealthy individuals who want to reduce the size of retirement assets in their estates

While the donor benefits by not having to report the IRA distribution as income, they cannot claim a charitable income tax deduction for the gift. For many people, the exclusion of the IRA distribution from income is a greater tax benefit than a charitable tax deduction.

The Community Foundation of Broward is standing by to help donors create a personal charitable Fund using IRA assets. Unrestricted Funds, Field of Interest Funds (ie: youth welfare, urban education, cancer research) and Funds designated to a particular non-profit qualify for these tax-free transfers. (Donor advised Funds do not qualify.)

Call Barbara Witte at (954) 761-9503 or email bwitte@cfbroward.org for more information.

This educational illustration is not professional tax or legal advice; consult a tax advisor about your specific situation.