

Charitable IRA Rollover

A Charitable IRA Rollover allows donors to direct up to \$100,000 from their traditional IRA to charity tax-free. This option is open to donors age 70½ and older who have a traditional IRA. A Charitable IRA Rollover counts toward the Required Minimum Distribution, the amount a person over 70½ years of age must withdraw from an IRA each year.

Traditional IRA funds are not subject to income tax when given directly to charity. But if the IRA owner receives a distribution from the IRA, it is treated as income and taxed. Therefore, the Charitable IRA Rollover is a way for donors to pay less tax while supporting their favorite charities. **This strategy may be right for you if:**

You want to make a qualified charitable gift from your IRA to reduce the value of future distributions you will be required to take.

You do not itemize your deductions and would like to realize an increased tax benefit for your giving.

You wish to make an impactful gift to benefit the community.

You already contribute to charity at your deduction limit, and you want to donate more.

You wish to remove up to \$100,000 from your taxable estate.

There are several ways to give to the Community Foundation through the Charitable IRA Rollover. Give to:

Our Common Good Fund, a pool of unrestricted funds that are distributed to local organizations through a competitive process.

Any scholarship fund that helps students in need attend college.

A gift to the Community Foundation to continue its work in the community.

Any Impact Area, including arts, community development, education, nonprofit effectiveness and well-being.

An unrestricted fund that helps the Foundation address the region's most urgent needs as they change over time.

A new or existing designated fund that directs dollars to a specific nonprofit organization.

A new or existing field of interest fund that directs dollars to a specific cause, population or geographic area.

Note: A Charitable IRA Rollover may not be directed to a donor-advised fund.

Is a Charitable IRA Rollover right for you?

To determine if giving through Charitable IRA Rollover is right for you, first consult your legal or tax professional. Then, direct your IRA custodian to direct the funds to the Community Foundation.

A few things to keep in mind:

1

You may not receive any benefit from the charity, even a dinner or a small favor.

2

The \$100,000 limit is per person, not per couple.

3

Funds may not be directed to a donor-advised fund. The Charitable IRA Rollover also may not go toward life-income gifts such as charitable gift annuities or charitable remainder trusts.

4

The Pension Protection Act of 2006 established the Charitable IRA Rollover, and President Obama made the provision permanent in 2015 through the Protecting Americans from Tax Hikes (PATH) Act.

NOTE: *The Community Foundation of Greater Atlanta does not provide legal or tax advice. This document is for information purposes only. Consult your legal or tax advisor for guidance.*