

IRA Charitable Rollover Gifts



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Use Your Traditional IRA to Make Your Charitable Gifts

The IRA Charitable Rollover, or qualified charitable distribution (QCD), provides you with an excellent opportunity to make a gift during your lifetime from an asset that would be subject to multiple levels of taxation if it remained in your taxable estate.

To qualify

- You must be age 70½ or older at the time of gift.
- Transfers must be made directly from a traditional IRA account by your IRA administrator to the Yavapai College Foundation. Funds that are withdrawn by you and then contributed do NOT qualify. Gifts from 401k, 403b, SEP and other plans do not qualify.
- Gifts must be outright. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities do not qualify.

Benefits — qualified charitable distributions

- Can total up to \$100,000.
- Are not included in your gross income for federal income tax purposes on your IRS Form 1040 (no charitable deduction is available, however).
- Count towards your required minimum distribution for the year from your IRA.

For more information about making an IRA Rollover to the Yavapai College Foundation, please contact Paul Kirchgraber (928) 717-7773. Also, make sure to let us know when you direct a rollover check to our office.

Important Please Note: This information is for educational purposes only. When considering charitable gifts you are urged to seek the advice of your own financial and legal advisor(s) about your specific situation. Yavapai College Foundation TAX ID# 23-7232985.

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What are the tax implications to me?

- Federal — You do not recognize the transfer to the Yavapai College Foundation as income, provided it goes directly from the IRA administrator to us; therefore, you are not entitled to an income tax charitable deduction for your gift.
- State — Each state has different laws, so you will need to consult with your own advisors. Some states have a state income tax and will include this transfer as income. Within those states, some will allow for a state income tax charitable deduction and others will not. Other states base their state income tax on the federal income or federal tax paid. Still other states have no income tax at all.

Does this transfer qualify as my required minimum distribution? Once you reach age 70½, you are required to take required minimum distributions from your retirement plans each year, according to a federal formula. IRA Charitable Rollovers count towards your minimum required distribution from the IRA for the year.

Can my spouse also make an IRA Charitable Rollover, even if we are married and file jointly? Yes, every individual can use the IRA Charitable Rollover for up to \$100,000 each year.

How do I know if an IRA Charitable Rollover is right for me? You are at least age 70½, and:
You do not need the additional income necessitated by your minimum required distribution,
OR Your charitable gifts already equal 50% of your adjusted gross income, so you do not benefit from an income tax charitable deduction for additional gifts, OR
You do not itemize deductions, OR
You are subject to income phase-outs on your income tax deductions.

What is the procedure to execute an IRA Charitable Rollover? For more information about making an IRA Rollover to the Yavapai College Foundation, please contact Paul Kirchgraber at (928) 717-7773. Also, make sure to let us know when you direct a rollover check to our office.

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