



YOUR IRA MAY STILL BE THE MOST TAX-EFFICIENT CHARITABLE GIFT YOU CAN MAKE

Wondering what's the best way to make a charitable gift? Using retirement plan assets to fund a charitable bequest is often the most tax-efficient way to become a philanthropist.

TAKE ADVANTAGE OF TAX-SAVING GIFTS TO CHARITY.

Americans over age 70½ can transfer **up to \$100,000 annually from an IRA into a charitable fund without first paying federal income tax on that gift.** The charitable IRA rollover, or qualified charitable distribution (QCD), is a special provision allowing certain donors to exclude from taxable income -- and count toward their required minimum distribution -- certain transfers of Individual Retirement Account (IRA) assets that are made directly to public charities, including Northern Piedmont Community Foundation (NPCF).

A BENEFICIAL PROCESS FOR LIFETIME GIFTS.

A charitable IRA rollover makes it easier to use IRA assets, during lifetime, to make charitable gifts. Under current law, withdrawals from traditional IRAs and certain Roth IRAs are taxed as income, even if they are immediately directed to a charity. The donor receives a tax deduction for his or her donation, but various other federal, and sometimes state, tax rules can prevent the deduction from fully offsetting this taxable income. As a result, many donors have chosen not to use IRA assets for lifetime gifts. The charitable IRA rollover eliminates this problem.

REQUIREMENTS FOR PARTICIPATING.

Any donor who is 70½ years or older may make a gift, technically termed a "qualified charitable distribution," to a permissible public charity, such as NPCF, by directly transferring funds from a traditional or Roth IRA to the charity by December 31 of the applicable tax year. An individual taxpayer's total charitable IRA rollover gifts cannot exceed \$100,000 per tax year. If you have not already taken your required minimum distribution in a given year, a qualifying rollover gift can count toward satisfying this requirement.

Not all charities qualify for the charitable IRA rollover benefits. Excluded are:

- Donor advised funds
- Supporting organizations
- Private foundations

WHO CAN BENEFIT FROM USING THE CHARITABLE IRA ROLLOVER TO MAKE A GIFT?

- Persons with significant assets in an IRA
- Persons making gifts that are large, relative to their income. (Because a charitable rollover is not included in taxable income, it does not count against the usual percentage limitations on using charitable deductions.)
- Persons having so few deductions that they choose not to itemize

The current law extends the charitable IRA rollover provision indefinitely, with no expiration date, allowing individuals to make qualifying gifts every tax year. Please call 540-349-0631 or email jbwilson@npcf.org or assistant@npcf.org for more information