

# IRA CHARITABLE ROLLOVER

**You can use your IRA charitable rollover to make a big difference.**

## BENEFITS OF AN IRA CHARITABLE ROLLOVER

1. You can use your gift to satisfy your Required Minimum Distribution (RMD) from your IRA for the year.
2. You can save taxes on transfers up to \$100,000 per person
3. Your IRA withdrawal is not included in your Adjusted Gross Income which
  - a. Reduces your income taxes
  - b. Can reduce your Medicare B premiums
4. You can make a gift that is not subject to the 50% tax deduction limit on charitable gifts

**It is easier than you think**

## HOW AN IRA CHARITABLE ROLLOVER GIFT WORKS

1. You must be 70 ½ or older
2. Contact your IRA plan administrator to make a gift from your IRA directly to The INN.
3. Let us know that you authorized a distribution from your IRA by contacting David Sinclair
4. Your IRA funds will be directly transferred to The INN.
5. Please note that IRA Charitable rollover gifts do not qualify for a charitable tax deduction.
6. We will acknowledge your gift which will help us to continue our work providing for those who are hungry and homeless on Long Island

**If you have any questions, please feel free to contact David Sinclair at:  
dsinclair@the-inn.org, or call 516 534 2809**

# Questions and answers about Qualified Charitable Distributions (QCD's), and Required Minimum Distributions (RMD's)

## WHO IS ELIGIBLE TO TAKE ADVANTAGE OF A QUALIFIED CHARITABLE DISTRIBUTION?

Individuals who are age 72 or older at the time of the contribution, (or if you reached 70½ before January 1, 2020).

## HOW MUCH CAN EACH PERSON TRANSFER?

Up to \$100,000 per year, per person or \$200,000 for a couple.

## FROM WHAT ACCOUNTS CAN I MAKE TRANSFERS?

Transfers must come from your IRAs directly to The INN. If you have retirement assets in a 401k, 403b etc., you must first roll those funds into an IRA, and then you can direct the IRA administrator to transfer the funds from the IRA directly to The INN.

## DOES THIS TRANSFER QUALIFY AS MY REQUIRED MINIMUM DISTRIBUTION (RMD)?

Once you reach age 70 1/2, you are required to take Required Minimum Distributions (RMD's) 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.

## TO WHAT CHARITIES CAN I MAKE A QUALIFIED GIFT?

Tax deductible contributions can be made to any tax-exempt organization that is classified as 501(c) (3) charities, i.e. The INN.

## CAN I FUND LIFE INCOME GIFTS?

You can not use the IRA Charitable Rollover to fund life-income gifts such as charitable gift annuities, charitable remainder trusts, or pooled income funds. You also cannot fund donor advised funds or supporting organizations.

## HOW WILL YOU COUNT MY GIFT?

**The INN will receive 100% of the funds you donate through your IRA Charitable Rollover and you will receive a gift receipt letter for the entire gift amount for your tax records.**

#### **WHAT ARE MY TAX IMPLICATIONS?**

##### **Federal:**

**Your transfer to The INN is not recognized as income, provided it goes directly from the IRA administrator to The INN;.** Consequently, you are not entitled to an income tax charitable deduction for your transfer.

##### **State:**

**Each state has different laws, so you will need to consult with your tax 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.**

#### **CAN MY SPOUSE ALSO MAKE ONE?**

**Yes, every individual can use the IRA Charitable Rollover for up to \$100,000 each year, even if you are married and file jointly.**

#### **HOW DO I KNOW IF AN IRA CHARITABLE ROLLOVER IS RIGHT FOR ME?**

**You are at least age 70 1/2, 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?**

**A sample letter is attached for you to send to your plan provider to initiate a rollover to The INN. Make sure that you contact us when you direct the rollover or we can look for the check from your IRA administrator.**

# Sample letter of instruction for a donor to send to their IRA provider to make a Qualified Charitable Distribution

(Call your plan provider to determine the most efficient way to send this letter of instruction.)

Date : \_\_\_\_\_

*[Name of IRA provider]*

*[Address of IRA provider]*

Dear Sir or Madam:

Please accept this letter as my request to make a qualified charitable contribution from my Individual Retirement under Sec. 1201 of the Pension Protection Act of 2006 (the PPA) and Sec. 408(d)(8) of the Internal Revenue Code of 1986, and made permanent under the Consolidated Appropriations Act of 2016. My account number is [insert account number].

The INN's tax ID number is: 11-2676892, and is a qualified charitable recipient for this transfer. It is my intention to have this transfer be a Qualified Charitable Distribution that will qualify for exclusion from my taxable income during the 20\_\_\_\_ tax year. Therefore, it is imperative that this distribution be postmarked no later than December 31, 20\_\_\_\_.

Please issue a check in the amount of \$\_\_\_\_\_ payable to The INN at the following address:

Chief Development Officer  
The INN  
211 Fulton Avenue, Hempstead, NY 11550

**Please state my name and address as the donor of record in connection with this gift on the check disbursement.**

If you have any questions or concerns regarding this request, I can be reached at *[PHONE AND EMAIL ADDRESSES]*.

Thank you for your prompt attention to and assistance with this matter.

Sincerely,

*[Signature/s of donor/IRA owner]*