

Charitable IRA Rollover

USE YOUR IRA FOR GOOD

THE BASICS: A Charitable IRA Rollover allows donors to direct up to \$100,000 from their traditional IRA to charity without having to pay taxes on the money. This option is open to donors age 70½ and older who have a traditional IRA. The funds must pass directly to a qualified charity to avoid taxes. A Charitable IRA Rollover counts toward the Required Minimum Distribution, the amount a person over 73 years of age must withdraw from an IRA each year.

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.



The Charitable IRA Rollover is a way for donors to pay less tax while supporting their favorite nonprofits.

THERE ARE SEVERAL WAYS TO GIVE TO THE COMMUNITY FOUNDATION THROUGH THE CHARITABLE IRA ROLLOVER:

TogetherATL FUNDS, which build equity and shared prosperity in the Atlanta region.

ANY SCHOLARSHIP FUND that helps students in need attend college.

A GIFT TO THE COMMUNITY FOUNDATION to continue its work in the community.

AN UNRESTRICTED FUND at the Community Foundation 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.

A CHARITABLE IRA ROLLOVER may not be directed to a donor-advised fund.

For more information, call 404.688.5525 and ask to speak with a member of our philanthropy team.



Charitable IRA Rollover

THERE ARE THREE WAYS YOU CAN MAKE CHARITABLE GIFTS USING YOUR IRA:

1

DIRECT IRA ROLLOVER (QCD)

- Direct your IRA administrator to transfer the desired amount (up to \$100,000) to the charity of your choice; process depends on account administrator
- *Reminder:* IRA rollover gifts cannot go into donor-advised funds

2

OUTRIGHT GIFT TO CHARITY

- Take a distribution from your IRA, then contribute those funds to the Community Foundation or other qualified charity
- This can be any amount, it counts as your required minimum distribution and can go into a donor-advised fund
- *If you itemize* your deductions, you can avoid the taxes due from the IRA distribution

3

BENEFICIARY DESIGNATION

- Some or all of your IRA will go to the charity you name in the documents
- Funds given in this way can go to a donor-advised fund
- Avoids income and possible estate tax liability that would be due if left to children or other (non-spouse) heirs. Taxes can consume up to 60% or more of the value of the IRA.
- Creates a lasting legacy

Sally is 75, and has a \$12,000 required minimum distribution (RMD) from her IRA. She can use Option 1 above to directly transfer that amount to a non-DAF fund at the Community Foundation, satisfying her RMD with a QCD. Since Sally itemizes her deductions, she could achieve the same tax outcome if she gave the distribution to the Community Foundation herself (not directly from her IRA) – the charitable deduction would eliminate the income taxes she would otherwise owe (Option 2). Sally can also ensure the remainder of her IRA goes to her DAF at the end of her life with Option 3, designating the Community Foundation for Greater Atlanta as the IRA beneficiary. Sally makes a very tax-wise gift, leaving less heavily taxed assets to her heirs.



ABOUT US

The Community Foundation for Greater Atlanta inspires and leads the Atlanta region toward equity and shared prosperity for all who call it home. TogetherATL is the Foundation's strategic ethos, working through a collaborative approach with community stakeholders, donors, nonprofits and others to examine complex challenges the region faces and create solutions that build a thriving region. cfgreateratlanta.org

INTERESTED IN CHARITABLE IRA ROLLOVER?

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