

IRA CHARITABLE ROLLOVER

AVAILABLE FOR THOSE 70 ½ AND OLDER

The IRA Charitable Rollover creates an opportunity for donors to establish an endowment or make an outright charitable gift to a charitable organization. Your rollover can be directed for a capital campaign gift, current needs or restricted for endowment purposes. Your gift can be earmarked for your synagogue, a local Jewish agency, Jewish education, or any program or organization that is important to you.

EXAMPLE: MR. COHN DISTRIBUTES \$18,000 FROM HIS IRA TO HIS SYNAGOGUE AND/OR TO ESTABLISH AN ENDOWMENT FUND FOR HIS SYNAGOGUE (MR. COHN NAMES THE FUND AFTER HIS GRANDCHILDREN).

Without the IRA Charitable Rollover: Mr. Cohn would be subject to federal and Connecticut income tax on the amount of the distribution (even if it went straight to charity) -- although he could claim a charitable income tax deduction on his federal return for the donation, he would not be able to do that on a Connecticut income tax return and would have Connecticut income tax liability for the distribution—even if it was given directly to charity.

With the IRA Charitable Rollover: The \$18,000 distribution is not taxable income for federal and Connecticut income tax purposes (even if it is being used toward his required minimum distribution)—it is tax neutral. Mr. Cohn has created a wonderful Jewish legacy for his family and community, reduced his Connecticut income tax liability, and reduced his taxable estate! What is the advantage? If you already have enough income and your IRA minimum distribution requirement only increases your tax liability, this allows you to donate your distribution directly to charity without realizing federal or Connecticut income tax liability on the amount of the distribution (you will not have to pay Connecticut or Federal income tax on that amount). In addition, if you have a taxable estate, your IRA, will be subject to income and estate taxes (once both spouses are deceased and the IRA is left to your children, grandchildren or other individuals). In fact, in a taxable estate, your non-spouse beneficiaries could end up with 25 cents on the dollar for your IRA assets! The rollover allows you to remove some of those tax-plagued assets from your estate while also providing you with the opportunity to make a significant charitable gift.

In addition, if you have a secondary smaller IRA, which is not a necessary income source, this is an opportunity to donate that IRA to our community and make a significant and much needed impact.

TEN THINGS TO KNOW ABOUT THE IRA CHARITABLE ROLLOVER:

1. The distribution from your IRA must be made directly to the charitable organization.
2. You must be 70 ½ or older at the time that the distribution is made (note, this differs from the required minimum distribution where you only need to turn 70 ½ during the year).
3. The IRA Charitable Rollover is permanent; you can do it this year and every year.
4. The maximum amount that can qualify is \$100,000.
5. The IRA Charitable Rollover will satisfy your required minimum distribution.
6. You can rollover more than your required minimum distribution and in addition to your required minimum distribution (up to \$100,000 to charity).
7. The amount of the IRA Charitable Rollover does not need to be reported as income on your federal or Connecticut income tax return.
8. Only distributions from traditional and Roth IRAs qualify.
9. To qualify, the distribution can only be for charitable purposes and cannot be designated for a donor advised fund, supporting organization, private foundation or life-income gift (charitable trust or annuity). No goods or services can be received in exchange for the distribution (i.e. tickets or dinner).
10. In most cases, you will need to contact your IRA plan administrator/financial institution.

Please consult your professional advisor concerning your tax plans.

INSTRUCTIONS FOR IRA DISTRIBUTION BY CHECK

Please forward a copy of the below form to the Jewish Foundation of Greater New Haven. The postmark on the envelope from your IRA Administrator will act as the date of your gift.

Date

Address of IRA Administrator

Dear Sir or Madam:

Please accept this letter as authorization to make a charitable distribution from my Individual Retirement Account # _____.

Please issue a check made payable to the Jewish Foundation of Greater New Haven in the amount of \$_____, and send it to:

Jewish Foundation of Greater New Haven
360 Amity Road
Woodbridge, CT 06525

These funds are to be used for the purpose of _____.

Please include my name and address as the donor of record for this transfer within your correspondence to the Jewish Foundation of Greater New Haven. Additionally, please send a copy to me for my own documentation.

If you have any questions or need additional information, please contact me at the below number.

Thank you for your prompt assistance with this transfer.

Sincerely,

[SIGNATURE OF IRA OWNER]

cc: Jewish Foundation of Greater New Haven

INSTRUCTIONS FOR IRA DISTRIBUTION BY WIRE TRANSFER

Please forward a copy of the below form to the Jewish Foundation of Greater New Haven. The postmark on the envelope from your IRA Administrator will act as the date of your gift.

Date

Address of IRA Administrator

Dear Sir or Madam:

Please accept this letter as authorization to make a charitable distribution from my Individual Retirement Account # _____.

Please execute a wire transfer in the amount of \$_____ to the Jewish Foundation of Greater New Haven with the following info:

STOCK:

DTC#:

Account Name:

FBO Account #:

These funds are to be used for the purpose of _____.

Please include my name and address as the donor of record for this transfer within your correspondence to the Jewish Foundation of Greater New Haven. Additionally, please send a copy to me for my own documentation.

If you have any questions or need additional information, please contact me at the below number.

Thank you for your prompt assistance with this transfer.

Sincerely,

[SIGNATURE OF IRA OWNER]

cc: the Jewish Foundation of Greater New Haven