



## IRA/RETIREMENT PLAN GIVING

### Charitable Giving Opportunity with an IRA during a Donor's Lifetime

The Charitable IRA Rollover is a way for you to pay less tax while supporting your favorite charities. You can donate up to \$104,000 from your traditional IRA—tax-free.

#### This strategy may be right for you if you:

- are age 70 ½ and older;
- want to reduce the value of future distributions you will be required to take;
- do not itemize your deductions and would like to realize an increased tax benefit for your giving;
- already contribute to charity at your deduction limit, and you want to donate more;
- do not need your Required Minimum Distribution;
- have a secondary smaller IRA you do not need; and/or
- wish to reduce your IRA and remove it from your taxable estate.

#### Retirement Plans as Part of Your Estate Plan

Retirement plans, such as IRAs/401(k)s/403(b)s, are tax-plagued assets when they are left to a non-spouse beneficiary. Under the Secure Act, a non-spouse beneficiary of an IRA/401(k)/403(b) must withdraw the entire amount of the inherited retirement within 10 years; non-spouse beneficiaries are no longer permitted to “stretch” the withdrawals over their lifetime.

#### CONSIDER THIS EXAMPLE

Mr. Cohen passes away and his 2 sons are the named beneficiaries of his \$150,000 IRA. The sons must withdraw the entire amount within 10 years, which means they will pay about \$50,000 in income tax. In this scenario, the \$150,000 asset is only worth \$100,000.

Had Mr. Cohen named a charity as the beneficiary of the IRA, the charity would have received the entire \$150,000. Mr. Cohen could then leave his other, tax-free assets to his sons.

|                           | During Lifetime            | In Estate Plan                             |
|---------------------------|----------------------------|--|
| <b>Vehicle</b>            | IRA                        | IRA, 401(k), 403(b)                        |
| <b>Maximum</b>            | \$105,000/yr*              | Unlimited                                  |
| <b>Beneficiary</b>        | Any US-based charity       | Any US-based charity or donor-advised fund |
| <b>Tax Exemptions</b>     | Income tax                 | Income tax, estate tax                     |
| <b>Process</b>            | Rollover directly from IRA | Name charity as designated beneficiary     |
| <b>Required Paperwork</b> | IRA rollover form          | Beneficiary designation form               |
| <b>Age Restrictions</b>   | Must be 70 ½ or older      | None                                       |
| <b>Gift Timing</b>        | Immediately                | At your passing                            |

\*adjusted for inflation

Consult your professional advisor concerning your personal circumstances.

For more information please contact Lisa Stanger at [lstanger@jewishnewhaven.org](mailto:lstanger@jewishnewhaven.org)  
[newhavenjewishfoundation.org](http://newhavenjewishfoundation.org) | 203-266-3084