



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
Vehicle	IRA	IRA, 401(k), 403(b)
Maximum	\$104,000/yr*	Unlimited
Beneficiary	Any US-based charity	Any US-based charity or donor-advised fund
Tax Exemptions	Income tax	Income tax, estate tax
Process	Rollover directly from IRA	Name charity as designated beneficiary
Required Paperwork	IRA rollover form	Beneficiary designation form
Age Restrictions	Must be 70 ½ or older	None
Gift Timing	Immediately	At your passing

*adjusted for inflation