



# 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 \$115,000 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.

	<b>During Lifetime</b>	<b>In Estate Plan</b>
<b>Vehicle</b>	IRA	IRA, 401(k), 403(b)
<b>Maximum</b>	\$115,000/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