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FINER POINTS ABOUT IRA CHARITABLE ROLLOVERS

I TURN 72 IN AUGUST. CAN I TAKE ADVANTAGE OF THE IRA CHARITABLE ROLLOVER NOW?

According to the IRS, you must be at least 72 at the time the distribution is completed so you will have to wait until you pass that milestone.

CAN I MAKE A TRANSFER FROM MY IRA TO MY DONOR-ADVISED FUND?

Transfers may be made to public charities, such as Siena College. However, donors may not make IRA Charitable Rollovers to donor-advised funds, supporting organizations and private foundations.

WHAT ABOUT OTHER RETIREMENT PLANS?

The IRA Charitable Rollover applies to IRAs only and does not apply to 401(k), Keogh, 403(b), or profit-sharing plans. Nor does it apply to Simple IRAs, or SEPs. Strategy: roll some of your retirement assets into an IRA and make an IRA Charitable Rollover contribution to Siena College.

IS THE MAXIMUM EXCLUSION \$100,000 PER YEAR?

\$100,000 can be contributed annually (in the aggregate to all charities). So, you can make a gift to Siena College this year and another next year and both will count toward your class gift total.

IS THE LIMIT \$100,000 PER COUPLE?

If you and your spouse have separate IRA accounts, each of you may transfer and exclude \$100,000 from taxable income.

CAN IRA CHARITABLE ROLLOVERS BE DEDUCTED AS CHARITABLE GIFTS?

These gifts, which count against your Required Minimum Distribution, are as valuable as a deductible contribution. However, since they have not been subject to income tax, they cannot be deducted as charitable gifts.

IF THE GIFT CANNOT BE DEDUCTED WHY WOULD I WANT TO TAKE ADVANTAGE OF THE OPPORTUNITY?

Many donors view the IRA Charitable Rollover as a way to manage their income. By excluding the qualified charitable transfer from income, this provision helps you save additional money.

For example:

- using the IRA Charitable Rollover may save you from owing higher taxes on Social Security benefits and paying higher Medicare premiums.
- lowering your Adjusted Gross Income might make you less likely to be subject to the 3.8% tax on net investment income.

ARE THERE ADVANTAGES WITH REGARD TO ADJUSTED GROSS INCOME?

Since charitable deductions are limited by AGI, the IRA Charitable Rollover allows donors to maximize charitable contributions while minimizing AGI. And the IRA Charitable Rollover allows especially generous donors to benefit from contributions beyond their AGI limits.

SINCE I TAKE THE STANDARD DEDUCTION, INSTEAD OF ITEMIZING, AND DO NOT DEDUCT CHARITABLE DONATIONS, DOES THIS PROVISION HELP?

Since the IRA Charitable Rollover counts toward your RMD and is not subject to tax, your benefit is equivalent to an income tax deduction.

CAN I TRANSFER A PORTION OF MY IRA TO A LIFE PAYMENT GIFT?

Yes! The Consolidated Appropriations Act of 2023 allows for a one-time distribution to create a life income gift. This new type of QCD is a one-time maximum transfer of \$50,000 to a qualified CRT, or in exchange with a charity for a CGA.

*Important terms and conditions apply. Please contact our office or your financial advisor.