



WHAT IS AN IRA Charitable Rollover?

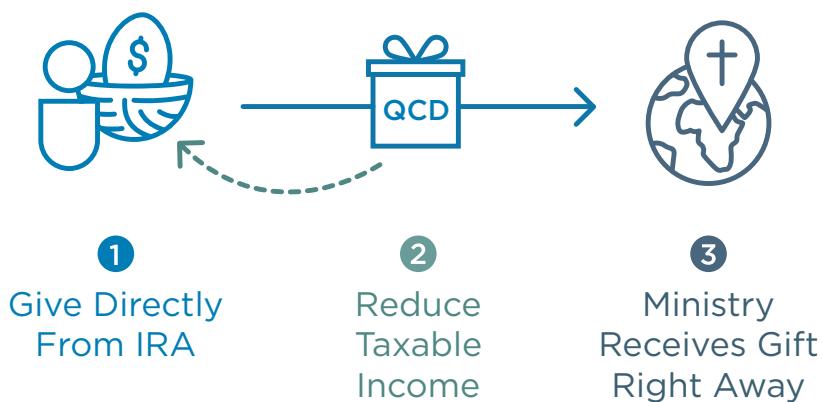
If you are 70 1/2 or older, own an IRA, and donate to your church or other ministries, this may be a great giving strategy for you. Individuals can contribute up to \$100,000 (\$200,000 for couples filing jointly) from an IRA directly to charitable causes. This type of gift is known as a Qualified Charitable Distribution (QCD) and can satisfy your IRA's Required Minimum Distribution (RMD).

No tax is incurred on the withdrawal from your IRA, so these gifts do not qualify

for an income tax charitable deduction. However, they have the benefit of lowering taxes by reducing your Adjusted Gross Income (AGI). Unlike many other charitable gifts, this tax strategy can benefit you even if you do not itemize.

It is critical to understand the gift will not qualify as a tax-free transfer if you withdraw funds first and then make your donation. Instead, the funds from your IRA must be given directly to the ministries you want to support.

HOW IT WORKS



3 THINGS TO KNOW ABOUT

IRA Charitable Rollovers

1 Reduce Your Taxable Income

This investment can lower your annual tax burden by reducing your income for the year.

3 Satisfy IRA Requirements

IRAs have complex rules that govern minimum distributions. A Charitable IRA Rollover can help you satisfy your IRAs requirements.

2 Give Back With Retirement Savings

IRA Charitable Rollovers give you greater flexibility in supporting ministry with retirement funds.

GIVING EXAMPLE

A Sara donates a **portion** of her IRA's RMD as a gift (QCD) to ministry.

$$\$15,000 \text{ ANNUAL RMD} - \$10,000 \text{ DONATION (QCD)} = \$5,000 \text{ TAXABLE RMD}$$

B Sara donates her **entire** IRA's RMD as a gift (QCD) to ministry.

$$\$15,000 \text{ ANNUAL RMD} - \$15,000 \text{ DONATION (QCD)} = \$0 \text{ TAXABLE RMD}$$

C Sara donates her **entire** IRA's RMD plus \$5,000 as a gift (QCD) to ministry.

$$\$15,000 \text{ ANNUAL RMD} - \$15,000 + \$5,000 \text{ DONATION (QCD)} = \$0 \text{ TAXABLE RMD}$$

Additional gift may count as a tax deduction.

GET STARTED AT:

WatersEdgeServices.org/IRACharitableRollover