

Good News! Tax-Free Gifts from IRA Accounts Re-authorized!

Congress has re-authorized legislation that allows donors to make charitable gifts from their IRA accounts during tax years 2008 and 2009 without incurring income tax on the withdrawal. If you are age 70 ½ or older and are required to take minimum withdrawals and you do not need them for personal use, this may be a great way to make a gift to one or more qualified charities. While you cannot claim a charitable deduction for IRA gifts, you will not pay income tax on the amount.

To qualify:

- You must be age 70 ½ or older at the time of the gift.
- Transfers must be made from a traditional or Roth IRA account by your plan provider DIRECTLY to the charity. Funds that are withdrawn by you and then contributed do NOT qualify.
- Gifts from 401k, 403b, SEP and other retirement plans do not qualify.
- Gifts must be outright. Distributions to donor-advised funds, supporting organizations, or life-income arrangements such as charitable remainder trusts and gift annuities are precluded.

Benefits--Qualified charitable distributions:

- Can total up to \$100,000 in each tax year (if your spouse has a separate IRA account, you can each contribute up to \$100,000 per tax year);
- Can be excluded from your gross income for federal income tax purposes on line 15a of Form 1040 (no charitable deduction is available, however);
- Can be used to satisfy your Minimum Required Distribution (MRD);
- You are subject to limitations on your itemized deductions.