

## IRA Charitable Rollover

At the end of 2015, federal legislation was passed making the IRA direct charitable rollover gift option permanent. The law allows **“senior” charitably-minded** individuals a golden opportunity to make gifts to churches and other charities directly from an IRA (Individual Retirement Account) and exclude the amount of that gift from gross income (i.e., make a tax free gift!).

## Why donors like the IRA Charitable Rollover:

- **It counts toward the required** minimum distribution (RMD) but is NOT counted as additional taxable income.
- **There is no tax deduction, so no** need to itemize. This is great for donors who do not itemize deductions.
- **For those who itemize and have** already reached the limit on annual charitable deductions, this gift has no adverse impact on taxes.
- **If a donor does not need the RMD**

***“Each of you should give what you have decided in your heart to give, not reluctantly or under compulsion, for God loves a cheerful giver.”***

2 Corinthians 9:7

## For Example:

Mrs. Wesley is 70 ½ and has an IRA. She must now make required minimum distributions (RMD) and this year the amount is \$10,000.

After discussion with her Pastor and a Wisconsin United Methodist Foundation representative, Mrs. Wesley decides to give the distribution directly from her IRA to her local church. She provides a letter to her IRA administrator instructing that a check for \$10,000 be sent directly to (and made payable to) her church. When the church receives the **check from Mrs. Wesley’s IRA, they credit the contribution to her pledge and issue a ‘thank you’ note to Mrs. Wesley.**

By doing this direct transfer to her church, she will be avoiding any additional income taxes,



## Resources for Churches & Donors

Call the Foundation, 608-837-9582 or visit the Foundation website, [www.wumf.org](http://www.wumf.org), to find:

- **A sample letter for a donor to** send to an IRA administrator
- **Other information regarding IRA** charitable rollover gifts

Who can take advantage of this opportunity and what are the benefits?

- **Anyone 70 ½ or older** when the transfer is made
- **The transfer must go directly from** your IRA administrator to your church
- **Rollover gifts are limited to** \$100,000 per taxpayer per year. If married, and each spouse has an IRA, then each may gift up to \$100,000 per year
- **The gift counts toward your IRA** required minimum distribution (RMD)
- **Helps to avoid the possibility that** the government will impose taxes of up to 60% on IRA funds not distributed during your lifetime

Where faith and money come together

**Investing in your church's future** can yield invaluable returns to your congregation, church, and community for generations to come. The IRA Charitable Rollover provides you with an excellent opportunity to make a gift during your lifetime from an asset that would be subject to multiple levels of taxation if it remained in your taxable estate. This gift can make a significant impact on the mission

## Mission

The mission of the **Wisconsin United Methodist Foundation** is to assist the ministries of United Methodists in Wisconsin through lifelong financial stewardship.

Important: Be sure to check with your financial advisor to determine whether this gift plan is right for you. This information is not meant as tax or legal advice.

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Address: 750 Windsor Street,  
Suite 305  
Sun Prairie, WI 53590

Phone: 608-837-9582