



Charitable Gifts through your IRA

Individuals age 70½ and older may make direct charitable contributions from their IRAs (totaling up to \$100,000 per year) to a qualified charity such as Natural Lands. The gift from one's IRA generates neither taxable income nor a tax deduction. It can be applied towards one's Required Minimum Distribution (RMD).

What is the procedure to make a charitable gift via an IRA ? To complete your charitable gift, contact your IRA administrator to learn their procedure. Natural Lands offers a sample letter that you can submit to your IRA provider. Please make sure that you contact Natural Lands so that we are aware of the proposed transaction.

Other Frequently Asked Questions:

Who qualifies? Individuals who are age 70½ or older at the time of the contribution (you have to wait until your actual 70½th birthday to make the transfer).

How much can I gift? Up to \$100,000 per year. If you have a spouse with an IRA who is 70½ or older, they can also give up to the \$100,000 limit.

From what accounts can I make the charitable donation? Funds must come from your IRA directly to Natural Lands. If you have retirement assets in a 401(k), 403(b) etc., you must first roll those funds into an IRA, and then you can direct the IRA provider to transfer the funds from the IRA directly to Natural Lands. You should contact your provider for further information.

To what organizations can I make gifts? Tax exempt organizations that are classified as 501(c)(3) organizations. This includes Natural Lands.

Can I use gifts from my IRA to fund life-income gifts (such as charitable gift annuities or charitable remainder trusts)? No, these are not eligible.

Can I use the rollover to fund donor advised funds or supporting organizations? No, these are not eligible either.

Can I direct that the gift support a particular purpose of Natural Lands? As with all other gifts, you can direct your IRA Charitable gift as you see fit. However, you cannot direct your gift for a purpose from which you receive a personal benefit, goods, or services in return, such as a gala ticket, to purchase items at a silent auction, etc.

What are the Federal tax implications to me? You are not entitled to a Federal income tax charitable deduction for your gift. The transfer of funds to Natural Lands, provided it goes directly from the IRA provider to the organization, is not counted as income.

Does this transfer qualify as my Required Minimum Distribution (RMD)? Once you reach age 70½, you are required to take minimum distributions from your retirement plans each year, according to a federal formula. IRA charitable gifts count towards your Required Minimum Distribution for the year.

The IRA Charitable Rollover was originally passed in 2006 as part of the Pension Protection Act, and has been extended several times. The Protecting Americans from Tax Hikes Act of 2015 extended the IRA Charitable Rollover permanently so you are free to make annual gifts to Natural Lands this year and well into the future.

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