



# Turn your IRA into a *Gift of Hope*

**Imagine being able to transfer up to \$100,000 from your Individual Retirement Account to any charity you like...  
TAX FREE!**

**Thanks to the PATH Act, making permanent the opportunity to give IRA assets to charity free from federal tax ...  
YOU CAN!**

How it works...

The provision allows retirees age 70 ½ and older to donate up to \$100,000 tax free from their IRA each year. Generally, when you take a distribution from your IRA, it is treated as taxable income. Under this provision those assets are excluded from income if the distribution is given **DIRECTLY** to a charity. The distribution is not included in your income so you avoid the potential negative consequences that regular IRA withdrawals in retirement can create, including taxes on Social Security benefits. Distributions excluded from income are also equivalent to a 100% deduction. Normally, charitable contribution deductions are limited to a lower percentage (or are eliminated altogether) for taxpayers who do not itemize and take the standard deduction.

Spouses may also participate to the same level if they have a separate IRA, giving married couples the opportunity to donate up to \$200,000. This preserves the full amount for charity and allows donors to do this during their lifetime, rather than waiting to give through estate plans.

## **Turn your required distributions into charitable donations!**

IRS rules mandate that individuals age 70 ½ and older take RMDs from their IRA each year, regardless of whether the income is needed. These annual withdrawals are subject to ordinary income taxes. By making a charitable contribution from your IRA, you can satisfy your RMD amount without reporting additional income.

By donating the money to charity, you can enjoy the satisfaction of knowing that you are making a significant and meaningful difference in the lives of so many while effectively lowering your tax bill.

*This information is not meant as tax or legal advice. Tax laws are complex and subject to change. Please consult a professional tax advisor to determine how this tax law affects your situation.*