



United Way of the Yampa Valley

IRA CHARITABLE ROLLOVER

SPECIAL OPPORTUNITY FOR THOSE 70.5 YEARS OLD AND OLDER

Make a gift tax-free with an IRA. You can make a difference today and save on taxes when you support United Way of the Yampa Valley through your IRA.

You can give any amount (up to a maximum of \$100,000) per year from your IRA directly to a qualified charity such as UWYV without having to pay income taxes on the money. This popular gift option is commonly called the IRA charitable rollover, but you may also see it referred to as a qualified charitable distribution (QCD).

WHY CONSIDER THIS TYPE OF GIVING?

Your gift will be put to use today, allowing you to see the difference your donation is making. Plus, you don't pay income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you don't itemize your deductions. Since your gift doesn't count towards income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax. Beginning in the year you turn 72, you can use your gift to satisfy all or part of your required minimum distribution (RMD).

FREQUENTLY ASKED QUESTIONS

I'm turning age 70.5 in a few months. Can I make this gift now?

No. The legislation requires you to reach age 70.5 by the date you make the gift.

I have several retirement accounts - some are pensions and some IRAs. Does it matter which retirement account I use?

Yes. Direct gifts to a qualified charity can be made only from an IRA. Under certain circumstances, however, you may be able to roll assets from a pensions, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer directly from the IRA. Speak with your financial advisor to determine if a rollover to an IRA is available for your plan.

Do I need to give my entire IRA to be eligible for the tax benefits?

No. You can give any amount under this provision, as long as it is no more than \$100,000 per year. If your IRA is valued at more than \$100,000, you can transfer a portion of it to fund a charitable gift.

When do I need to make my gift?

We must receive your gift by December 31 for your donation to qualify this year. If you have check-writing privileges on your IRA, please mail your check by Dec. 18 in order to give us time to process before the end of the year.

My spouse and I would like to give more than \$100,000. How can we do that?

If you have a spouse who is 70.5 or older, they can also give any amount up to \$100,000 from their IRA.

Can I use the transfer to fund life-income gifts like charitable remainder trusts or charitable gift annuities?

Unfortunately, the law does not permit using a qualified charitable distribution to establish a charitable gift annuity or a charitable remainder trust.

FOR THOSE 59.5 YEARS OLD OR OLDER

If you're at least 59.5 years old, you can take a distribution and then make a gift from your IRA without penalty. If you itemize your deductions, you can take a charitable deduction for the amount of your gift.

If you have questions or are interested in making a IRA charitable rollover, contact your financial advisor or Kate Nowak at director@unitedwayyv.org