

IRA Charitable Rollover Legislation is Back – 2015 and Beyond

GREAT NEWS!

On Dec. 18, 2015, President Obama signed into law the “**Protecting Americans from Tax Hikes Act of 2015**”. This new law made the IRA charitable rollover permanent!

Donors 70½ or older are once again eligible to move up to \$100,000 from their IRAs directly to qualified charities without having to pay income tax on the money. Here are some helpful tips to understand the IRA charitable rollover rules.

You can make a direct transfer if:

1. The donor is age 70½ or older on the day of the gift.
2. The donor transfers up to \$100,000 directly from the donor’s IRA to one or more qualified charities. This opportunity applies only to IRAs and not to other types of retirement plans.
3. The donor pays no income tax on the gift. The transfer generates neither taxable income nor a tax deduction, so donors benefit even if they do not itemize their tax deductions.
4. The gift can satisfy all or part of the required minimum distribution for the year.
5. The gift may not be used to fund a gift annuity, charitable remainder trust, donor advised fund or private foundation.
6. The donor does not receive any goods or services in return for the rollover gift in order to qualify for tax-free treatment.
7. If donor made a gift of up to \$100,000 directly from an IRA in 2015, the gift will qualify under the new law.
8. The new legislation does not have an expiration date. Donors can make gifts in 2015 and beyond.

This new law does NOT have an expiration date.

It is retroactive to Jan. 1, 2015. It will be in effect for the remainder of 2015 and beyond.

Please feel free to contact a member of the IHM Development Team at 734-240-9860 with any questions you may have about including a charitable gift under the new laws to support the IHM Sisters.