



The IRA Charitable Rollover: A Tax-Wise Gift to Guiding Eyes from Your IRA



A tax incentive known as the IRA Charitable Rollover enables our friends to support Guiding Eyes through a **tax-free withdrawal of any amount up to \$100,000** from an individual retirement account (“IRA”), if the withdrawal is transferred directly to our organization.

The IRA Charitable Rollover may be an great option for those of our supporters who, starting with the 2018 tax year, will no longer itemize deductions (including their charitable gifts) because of the increased standard deduction included in the 2017 tax act.

Please read on for more details and frequently asked questions.

For more information, please contact Gail Resnikoff, Director of Planned Giving at 914-234-2237 (800-942-0149, toll-free) or gresnikoff@guidingeyes.org. The Guiding Eyes community thanks you for your support.

FREQUENTLY ASKED QUESTIONS ABOUT THE IRA CHARITABLE ROLLOVER

Who is eligible? Any limits on the gift? Those 70 ½ or over at the time of the gift can give total rollover gifts of no more than \$100,000 by acting before year end – that is, by December 31 of each tax year.

Do all types of retirement plans qualify? Only traditional and Roth IRAs are eligible. Assets in other types of retirement accounts, such as 401(k)s, 403(b)s, etc., must first be “rolled over” into an IRA before they are contributed directly to charity.

Can a supporter write a personal check to Guiding Eyes for the Blind after having received a distribution? No. The distribution cannot be made directly from the donor’s personal checking account.

Can IRA Charitable Rollovers be used to fund life-income gifts, such as charitable gift annuities? Right, now, “rollovers” apply only to outright gifts, not life income gifts, such as charitable gift annuities and charitable remainder trusts. However, rollovers can be used for gifts “in memory or in honor of,” or gifts to be recognized by a plaque in the name of the donor or another.

What About Required Minimum Distributions? Amounts transferred to Guiding Eyes as an IRA Charitable Rollover count toward minimum distribution requirements.

Is the gift tax deductible? No deduction is available because the IRA withdrawal is not reported as income.

Who would benefit from an IRA Charitable Rollover? Friends 70 ½ or older who do not need all the income from their IRA, and who:

- **Do not itemize their deductions.** But for the rollover provision, non-itemizers would count the IRA distribution as income, but would not be able to claim an offsetting charitable deduction.
- **Itemize,** but cannot fully deduct their charitable gifts because they have reached applicable charitable deduction ceilings, or their itemized deductions are subject to reduction.

How is an IRA Charitable Rollover treated for state tax purposes? The above discussion is based on federal tax considerations; tax treatment of an IRA Charitable Rollover may vary from state to state.

The foregoing is intended to convey general information only. It does not constitute legal, tax, or financial advice and should not be relied upon as such. We strongly suggest that you consult with your professional advisors before making an IRA Charitable Rollover or any other charitable gift.