



## **IRA Charitable Rollover**

The Emergency Economic Stabilization Act of 2008 (H.R. 1424), enacted on October 3, 2008, extended the IRA charitable rollover provision originally drafted in the Pension Protection Act of 2006. Eligible contributions can now be made through December 31, 2009. The following questions provide background on this IRA gift legislation and answers to frequently asked questions.

### **What is an IRA charitable rollover?**

An IRA charitable rollover gift is technically called a “qualified charitable distribution”. These are contributions that individuals 70½ or older may direct from their traditional IRA to eligible charitable organizations. Partners can exclude up to \$100,000 in 2008 and \$100,000 in 2009 from their gross income.

### **What is the new expiration date of this provision?**

Gifts can be made up to \$100,000 in calendar year 2008. For gifts to qualify in this calendar year, distributions must be made by December 31, 2008. Partners can also contribute up to \$100,000 in calendar year 2009 as long as distributions are made by December 31, 2009.

### **Does a donor also receive a charitable deduction when they roll over assets to a charity under this provision?**

No. Under the provisions of the IRA rollover gift legislation, partners avoid counting these contributions as income, eliminating the need to classify these as charitable deductions. Doing so would create a double benefit for the partner.

### **To which charities may donors make qualified charitable distributions?**

Contributions to public charities—excluding supporting organizations—will count as charitable IRA rollover gifts. Wycliffe Bible Translators USA is a public charity and is eligible to receive IRA rollover gifts. JAARS Inc. is a supporting organization to Wycliffe USA and cannot receipt IRA gifts. Therefore, partners wishing to support a JAARS project must make the charitable contribution to Wycliffe USA and designate that the funds be used for a JAARS project at the time of the gift. For more information regarding IRA rollover gifts and JAARS, please contact Wycliffe Foundation at (866) 379-7131.

### **What if donors want to contribute more than \$100,000 to a qualified charity from an IRA?**

Partners are able to exclude up to \$100,000 from their income for a charitable rollover gift in calendar year 2008 and \$100,000 in calendar year 2009. If partners contribute more than \$100,000 from their IRA in either year, this amount must be considered income and will follow the rules regarding percentage limitations and itemized deductions.

### **Can donors contribute IRA assets to a donor advised fund?**

If contributions from a partner’s IRA are used for a donor advised fund, those distributions must be recognized as income. The donor must then calculate that contribution as a charitable deduction according to the rules regarding percentage limitations and itemized contributions.



To qualify as an IRA rollover gift and avoid counting those funds as income, distributions cannot be used to fund a DAF.

**How do individuals make a qualified charitable distribution?**

Partners must instruct their IRA administrator to make a direct transfer to Wycliffe Bible Translators. Checks or transactions in the name of the donor cannot be accepted as charitable IRA rollover gifts.

**Should a charity receiving a contribution directly from an IRA provide a gift acknowledgement?**

Yes. Individuals making a charitable contribution using IRA funds will receive a gift acknowledgement from Wycliffe Bible Translators USA.

**May a charity provide any goods or services in return for the contribution?** No.

**Can individuals make a qualified charitable distribution for split interest gifts?**

No. Charitable lead trusts and charitable remainder trusts are not eligible to receive qualified charitable distributions. IRA rollover gifts cannot be used to fund a charitable gift annuity.

**How will charitable distributions impact the minimum required distributions from a taxpayer's IRA?**

An IRA rollover gift made before December 31, 2009 will count toward a partner's Minimum Required Distribution.

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