

Planning Your Giving: IRA Charitable Rollover



Make a qualified charitable distribution from my IRA

Tax benefits for IRA owners

- If you are **70 ½** or older, a qualified charitable distribution (**QCD**) is a great way for you to support the Spokane Symphony and enjoy tax benefits.
- If you are **72** or older, QCD's made from your IRA count towards your required minimum distribution (**RMD**).
- QCD's** made from your IRA (up to **\$100,000** per year) are not reportable as taxable income.

Long-Term IRA strategies to consider

A reason to make a gift now:

When IRAs are passed to loved ones, distributions from these accounts are subject to income taxes at the **beneficiary's ordinary federal income tax rate, which can be as high as 37%**. Rather than leaving these heavily taxed assets to family, consider giving from these accounts now and letting the value of other assets grow and eventually pass to loved ones.

A reason to plan for the future:

- With SECURE Act changes, spouses can continue to "stretch" inherited IRA payments over their lifetimes. However, most non-spousal beneficiaries (such as children) must withdraw the entire IRA balance within 10 years. If you do not want your non-spousal beneficiaries to be bound by the 10-year withdrawal rule.
- The SECURE Act is pending approval to increase RMD age further to 73 starting Jan. 1, 2022; to 74 starting on Jan. 1, 2029; and 75 starting on Jan. 1, 2032.**
- Legacy IRA would permit \$50K one time rollover for a life income gift.**

You can benefit if:

- You wish to make a significant gift without using cash or other assets.
- You do not itemize deductions. You can still benefit from charitable giving even as a non-itemizer with an IRA QCD.
- You want to reduce your adjusted gross income.
- You must complete the gift by the last day of the year you will be paying taxes on.
- Your gift must be an outright gift.
- Your gift is not eligible for an additional charitable income tax deduction.

Important procedure

For tax purposes, the qualified charitable distribution (QCD) must be passed directly from your IRA to the **Spokane Symphony, NOT** withdrawn from your account. You as the IRA owner cannot receive the distribution. Contact your Financial Advisor who will make the distribution directly to the **Spokane Symphony** with your approval.