



Making a gift from your IRA
A Special Opportunity for Those 70½ Years Old and Older

You can give any amount (up to a maximum of \$100,000) per year from your IRA directly to a qualified charity such as Chatham Education Foundation without having to pay federal income taxes on the money. Gifts of any value \$100,000 or less are eligible for this benefit and you can feel good knowing that you are making a difference at Chatham Education Foundation. This gift option is commonly called the IRA charitable rollover, but you may also see it referred to as a qualified charitable distribution, or QCD for short.

Why Consider This Gift?

- Your gift will be put to use today, allowing you to see the difference your donation is making.
- Beginning in the year you turn 72, you can use your gift to satisfy all or part of your required minimum distribution (RMD).
- You pay no federal income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.
- Since the gift doesn't count as federal 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.

Frequently Asked Questions

I'm turning age 70½ in a few months. Can I make this gift now?

No. The legislation requires you to reach age 70½ by the date you make the gift.

I have several retirement accounts—some are pensions and some are 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 pension, profit sharing, 401(k), or 403(b) plan into an IRA and then make the transfer from the IRA directly to Chatham Education Foundation. To determine if a rollover to an IRA is available for your plan, speak with your plan administrator.

Can my gift be used as my required minimum distribution?

Yes. Beginning in the year you turn 72, you can use your gift to satisfy all or part of your RMD.

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 Dec. 31 for your donation to qualify this year. If you have check-writing privileges on your IRA, please mail your check by Dec. 1 in order to give us time to process your gift before the end of the year.

I have two charities I want to support. Can I give \$100,000 from my IRA to each?

No. Under the law, you can give a maximum of \$100,000 per year. For example, you can give each organization \$50,000 this year or any other combination that totals \$100,000 or less. Any amount of more than \$100,000 in one year must be reported as taxable income.

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

If you have a spouse (as defined by the IRS) who is 70½ 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. However, you can designate some or all of your retirement plan assets to fund a charitable gift annuity or charitable remainder trust after your lifetime. A charitable trust or gift annuity provides lifetime income to your family or other loved ones. When the gift arrangement ends, the balance will support Chatham Education Foundation.

I've already named Chatham Education Foundation as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?

By making a gift this year of any amount up to \$100,000 from your IRA, you can see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching your philanthropy take shape. Moreover, you can fulfill any outstanding pledge you may have made by transferring that amount from your IRA as long as it is \$100,000 or less for the year.

For Those 59½ Years Old or Older

If you're at least 59½ 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.

At Any Age

No matter your age, you can designate Chatham Education Foundation as the beneficiary of all or a percentage of your IRA and it will pass to us tax-free after your lifetime. It's simple, just requiring that you contact your IRA administrator for a change-of-beneficiary form or download a form from your provider's website.

Tip:

It's critical to let us know of your gift because many popular retirement plan administrators assume no obligation to notify a charity of your designation. The administrator also will not monitor whether your gift designations are followed. We would love to talk to you about your intentions to ensure that they are followed. We would also like to thank you for your generosity.