



IRA, ROLLOVER!

Would you like a tax break while helping save the lives of homeless pets in our community? An IRA Charitable Rollover is a wonderful way to help heal the pets in AHS' care.

As you know, individuals over the age of 70.5 are required to take an annual minimum distribution from their traditional IRA accounts. You can reduce your income tax liability on your required minimum distribution by making a tax-free charitable IRA distribution to AHS. To qualify, you must:

- Be age 70.5 or older at the time the IRA distribution is made to AHS.
- Make the distribution directly from your IRA account to AHS. You do this by contacting your IRA custodian and directing them to issue a check in the amount you specify directly to AHS.
- Provide your IRA custodian with the following information so they can issue a check payable to AHS:
 1. Legal Name: Arizona Humane Society
 2. Federal Tax ID: 86-0135567
 3. Address: 1521 W. Dobbins Rd., Phoenix, AZ 85041
 4. **Ask the custodian to put your name in the “memo” line of the check or include a letter stating your name and address.** That way we'll know it's from you and can provide you with an acknowledgment for your records. Your IRA custodian can mail the check directly to us or you can deliver it in person or mail it to us.

If you would like more information about making an IRA Charitable Rollover gift, please contact our Legacy Circle team, Lori Shepherd and Vanessa Cornwall, at 602.997.7585 Ext. 1034 or legacycircle@azhumane.org.

Please remember to consult your tax advisor for specific rules related to qualified charitable distributions.



ARIZONA HUMANE SOCIETY



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Frequently Asked Questions: IRA Charitable Rollover

Below we've provided answers to some frequently asked questions about making an IRA Charitable Rollover gift to the Arizona Humane Society (AHS).

How do I make an IRA Charitable Rollover to AHS?

- Be age 70½ or older at the time the IRA distribution is made to AHS.
- Make the distribution directly from your IRA account to AHS. You do this by contacting your IRA custodian and directing them to issue a check in the amount you specify directly to AHS.
- Provide your IRA custodian with the following information so they can issue a check payable to AHS:
 1. Legal Name: Arizona Humane Society
 2. Federal Tax ID: 86-0135567
 3. Address: 1521 West Dobbins Road, Phoenix, AZ 85041
 4. **Ask the custodian to put your name in the "memo" line of the check or include a letter stating your name and address.** That way we'll know it's from you and can provide you with an acknowledgment. Your IRA custodian can mail the check directly to us or you can deliver it in person or mail it to us.

What are the deadlines to complete a gift?

Distributions by check must have a postmark on the envelope no later than December 31 of the same tax year.

May I make a gift from my IRA if I have already taken my required minimum distribution (RMD)?

Yes, individual donors may exclude up to up to \$100,000 from gross income for qualified charitable contributions. If you file taxes jointly, your spouse may also make a qualified charitable distribution from his or her own IRA within the same tax year for up to \$100,000. While your donation counts toward your RMD, it is not limited by your RMD.

May I contribute more than \$100,000 to a qualified charity from an IRA?

Yes, however the law limits the exclusion from gross income to \$100,000. Charitable contributions from an IRA in excess of \$100,000 must follow the general rules pertaining to percentage limitations and itemized contribution reductions.

Are IRA distributions already taken by me eligible to gift as qualified charitable distributions?

No. You can, however, make gifts from IRA distributions that do not meet the requirements of a qualified charitable distribution. In such cases, the IRA distribution would be recognized as income for income tax purposes and would typically be eligible for a federal income tax charitable deduction.

Is my IRA Charitable Rollover gift eligible for an income tax charitable deduction?

No. Donors of qualified IRA gifts do not receive a federal income tax charitable deduction for the IRA gift, as they are not being taxed on the withdrawal.



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Are there other tax advantages to making a gift through a qualified IRA?

Yes. A qualified charitable distribution excludes the amount donated from taxable income, which is unlike regular withdrawals from an IRA. Keeping your taxable income lower may reduce the impact to certain tax credits and deductions, including Social Security and Medicare. Donors who do not itemize deductions on their federal income tax returns may benefit from qualified IRA gifts because of the gifts' exclusion from gross income. Amounts withdrawn from an IRA account are removed from the donor's taxable estate. We urge you to consult your tax advisor to learn which benefits apply to your specific situation.

Are all types of IRA accounts eligible for a qualified charitable distribution (QCD)?

Traditional, Rollover, Inherited, SEP (inactive plans only) and SIMPLE (inactive plans only) are eligible for QCDs. Donors may convert SEP or SIMPLE IRAs to a Traditional IRA in order to be eligible for a QCD.

Are gifts from retirement plans other than an IRA eligible?

No. However, donors may be able to make qualified transfers from their pension or retirement plan—such as a 401(k) or 403(b)—to their IRA, and then make a charitable gift from their IRA account.

How are qualified charitable distributions reported for tax purposes?

A QCD is reported as a normal distribution on IRS Form 1099-R for any non-Inherited IRAS. For Inherited IRAs or Inherited Roth IRAs, the QCD will be reported as a death distribution. While the QCD amount is not taxed, you may not then claim the distribution as a charitable tax deduction.

This is not intended to be legal or tax advice. We recommend that you discuss your plans with your tax professional, accountant or attorney when making your gift to AHS.