

Giving Through Your IRA

Do you take minimum distributions from your individual retirement account (IRA) but have adequate alternative sources of income? If you would like to minimize your taxes while making a meaningful gift to Bosler Memorial Library, consider making a **Qualified Charitable Distribution (QCD)** donation directly from your IRA.

What are the requirements and restrictions for making a Qualified Charitable Distribution from your IRA?

- The donor must be 70 1/2 or older.
- The gift must be made directly from the IRA to an eligible charitable organization.
- Gifts to all charities combined cannot exceed a total of \$100,000 for the year.
- The gifts must be outright, and no material benefits can be received in return for the gift. Thus, a transfer for a gift annuity, charitable remainder trust, or pooled income fund is not permitted.
- Gifts cannot be made to a donor-advised fund, supporting organization, or private foundation.
- The gift is not included in taxable income and no charitable deduction is allowed.
- The gift can only be made from an IRA. Gifts from a 401(k), 403(b), and 457 plans are not permitted.

Is this the right gift for you to make? Yes, if:

- You want to make a charitable gift and your IRA constitutes the largest share of your available assets.
- You are required to take a minimum distribution from your IRA, but you do not need additional income.
- You do not itemize your deductions. The IRA transfer will not be included in your taxable income even if you do not itemize other deductions.
- You live in a state where retirement plan distributions are taxable on your state income tax return, but a charitable deduction would not be allowed.
- You would like to make an additional charitable gift, but it would not be deductible because of the annual 50-percent-of-adjusted-gross-income limitation on charitable contributions. The charitable IRA rollover is equivalent to a deduction because it is not included in taxable income.

- You have an outstanding pledge to a charity. The charitable IRA rollover can satisfy a pledge without violating rules against self-dealing.

What steps should you take to make a gift?

- If you want to make a qualifying transfer, contact your IRA administrator and instruct that person to transfer funds to the charity(ies) you designate.
- Contact the Bosler Memorial Library Development Office at 717-243-4642, ext. 3222. We will answer your questions and provide instructions for completing your gift.