

GIFTS FROM YOUR IRA

Why do it?

If you have an IRA, at age 72 you are required to withdraw from it each year, depending upon the amount in the IRA. This is called a Required Minimum Distribution or RMD. These distributions are taxed as ordinary income. The tax laws allow you to gift any amount from this distribution, directly to a charity such as USR. This gift is not counted as income to you, thus affording you a tax benefit by lowering your Adjusted Gross Income.

How much is my savings?

It depends upon the amount of the gift and your tax bracket; however, the bigger the gift, the bigger the benefit.

Considerations

You must be at least 72 years old to take advantage of this deduction and you get the deduction in the year that you make the gift. The gift must come out of a traditional IRA.

How do I do it?

It's easy! Just tell the custodian of your IRA account that you wish to make a gift out of your RMD to the USR. You will be asked for USR account information, which you can obtain from Ann (she is familiar with these requests). The advisor will take care of the rest. You should also inform Ann so that she can watch for the gift coming in to USR.

Leverage your pledge

This is a great opportunity to increase your pledge with little or no impact on your financial situation by simply factoring in your tax savings into your pledge and increasing it by that amount. A smart strategy for a great cause!

Note: As long as you are over 70 and a half you can still take advantage of this strategy, even though you are not yet subject to the RMD. The only requirement is that the contribution come from an IRA. Please consult your financial advisor with any questions.