



who can take advantage of this opportunity and what are the benefits?

- ❑ You must be 70 ½ or older when the IRA gift rollover is made. The RMD age has been raised to 72, but the rollover gift eligibility remains at age 70 ½ .
- ❑ The transfer must go directly from your IRA administrator to your church
- ❑ Rollover gifts are limited to \$100,000 per taxpayer per year. If married, and each spouse has an IRA, then each may gift up to \$100,000 per year
- ❑ The gift counts toward your IRA required minimum distribution (RMD) – if applicable.
- ❑ The distribution is not reported as income, so there is no adverse income tax effect
- ❑ Gifts may NOT be used to fund donor advised funds, charitable remainder trusts, or charitable gift annuities.



Please discuss your gift and all related materials with your trusted family and professional advisors. The material contained in this brochure is for general educational and informational purposes and is not a source of legal or tax advice.



PO Box 1076 | Columbia, MO 65205
(573) 875-4168 | www.mumf.org



IRA charitable rollover

Federal law allows “senior” charitably-minded individuals a golden opportunity to make gifts directly from an IRA (Individual Retirement Account) and to exclude the amount of that gift from personal income. This can be both handy and tax-wise for many individuals.

why donors like the IRA rollover gift:

- It counts toward the required minimum distribution (RMD) but is NOT counted as additional taxable income.
- There is no tax deduction, so no need to itemize. This is great for donors who do not itemize deductions.
- For those who itemize and have already reached the limit on annual charitable deductions, this gift has no adverse impact on taxes.
- It is an easy way to make a cash gift and preserve other non-cash assets.



for example

Grace is 72 and has an IRA. She must take an annual “required minimum distribution” (RMD) that will be counted as taxable income to her. This year her RMD is \$10,000.

After learning about the IRA rollover gift option, Grace decides to give half the distribution directly from her IRA to her local church. She provides a form letter to her IRA administrator instructing that a check for \$5,000 be sent directly to (and made payable to) her church. When the church receives the check, they credit the contribution to her pledge. Her IRA administrator sends the rest of her RMD directly to Grace as she requested.

By doing this direct gift transfer to her church, Grace avoids paying income tax on the gift, supports the ministries of her church, and satisfies a portion of her RMD. She plans to continue making IRA rollover gifts to her church in the future.

resources for churches and donors



← Scan this to visit the IRA charitable gift page on our website (www.mumf.org). There you will find information, as well as sample letters for donors and gift receipts for churches.