



## Help Your Clients Make the Gift of a Lifetime Giving Retirement Assets to Charity, Tax Free

Because of new legislation extending the Charitable IRA, qualified American seniors can make the gift of a lifetime by transferring a portion of their individual retirement accounts (IRAs) to charity, free from federal tax. Qualified IRA holders can transfer up to \$100,000 annually without incurring income taxes today or estate and income taxes in the future. If married, each spouse can transfer up to \$100,000 from his or her IRA annually.

The Jewish Community Foundation (JCF) is pleased to help members of our community give in this way.

Americans age 70½ or older can make tax-free IRA contributions to certain public charities such as Field of Interest, Unrestricted or Designated funds at the JCF. Gifts to Donor Advised Funds, Supporting Organizations and private foundations do not qualify for preferential tax treatment.

Your clients may be interested in this charitable opportunity if they:

- Have excess retirement savings.
- Are subject to a 50 percent of income charitable deduction limitation.
- Take the standard deduction on their tax return.
- Accept minimum distributions from an IRA and have alternative sources of income.
- Are planning to leave a charitable legacy through an estate plan.
- Have designated a favorite charity as beneficiary of retirement assets.
- Care about the community and want to know their gifts will make a difference.

*Example:* Mr. Cohen, age 75, has accumulated approximately \$2,000,000 in his IRA accounts. He has other sources of wealth and plans to leave a sizable estate to his heirs and charity. Under the renewed law, Mr. Cohen can create a fund at the community foundation to address the causes he cares about most by transferring IRA funds tax free. Mr. Cohen can transfer up to \$100,000 annually and additionally, if Mr. Cohen is married, his wife can also make a similar gift from her IRA accounts.

Individuals who may benefit most from this law include two-thirds of Americans who do not itemize income tax deductions. The tax law gives eligible donors the equivalent of a tax deduction for charitable gifts that they transfer from their IRAs. The IRS estimates that almost 65 percent of all individual taxpayers claim the standard income tax deduction and do not get any tax benefit from their charitable gifts.

Though the legislation has extended charitable possibilities for IRAs, it remains prudent for wealth advisors to analyze each client's unique situation to determine the best assets to give. If a client wishes to liquidate appreciated stock, mutual funds or real estate, capital gains may be avoided by contributing these assets directly to JCF. Appreciated assets are usually preferable over IRAs for passing on to heirs.

Charitable IRA transfers are just one way JCF can work with you to help your clients achieve their personal, financial and charitable goals. We are a trusted organization your clients can use to address the issues they care about most, while gaining maximum tax benefit under state and federal law.

We welcome the opportunity to discuss this extended charitable giving opportunity with you. Please contact Risé Roth or Hollis Dorman at 860-523-7460.