



## Tax-free, Charitable IRA Rollover

Renewed legislation allows a donor to give more to charity and pay less in taxes. Donors can transfer up to \$100,000 from their individual retirement account to charity annually — tax-free.

### How it works

- A donor makes a gift of up to \$100,000 by transferring IRA assets to the Community Foundation. Donors must be 70 1/2 years old. If married, each spouse can transfer up to \$100,000 from his or her IRA annually.
- The gift can be placed into a charitable fund in a donor's name, the name of the donor's family, or in honor of any person or organization of the donor's choosing. The gift can also be placed into an endowment that is invested and will grow over time.
- The transaction incurs no federal income tax and the asset is no longer part of the donor's estate for tax purposes.
- Grants addressing community needs will be made forever. Gifts can begin in a donor's lifetime so that they (and the community) can see the benefits of their generosity sooner.
- Community Foundation Staff manages all of the details including paperwork to establish and maintain the fund, progress reporting and management of any distribution from the fund.

### Fund selection

- **Field of Interest Fund** - The Community Foundation awards grants to programs addressing a donor's specific interest area.
- **Designated Fund** - The Community Foundation targets gifts to support the work of a specific nonprofit organization with a source of income plus planned giving and investment management services.
- **Scholarship Fund** - The fund is designed to invest in the education of Weld County students.
- **Unrestricted Fund**— The fund addresses a broad range of current and future needs.

### Reasons to give through an IRA Rollover



Any amount left in an IRA after an individual dies may be taxed as income to the beneficiary. When donors give IRA funds to a charity, this risk is reduced.



Funds that are remaining in an IRA following the death of the donor may be considered assets for the purpose of calculating estate tax liability. Charitably gifting IRA funds lessens this exposure.



Donors can watch the effects of their fund in the community first-hand, in their lifetimes.

*There may be other reasons that completing a charitable IRA rollover is a good choice for a donor. The Foundation encourages all donors to consult their professional advisor when deciding if this is right for them.*