

IRA Charitable Rollover Reinstated for 2013

A wonderful opportunity!

On January 1, 2013, the American Taxpayer Relief Act of 2012 (ATRA) was passed, avoiding the “fiscal cliff” and permanently extending the majority of tax cuts that were scheduled to expire at the end of 2012. In addition, the IRA Charitable Rollover has been reinstated and extended through 2013.

IRA owners age 70 ½ and older are able to make a qualified charitable distribution of up to \$100,000 through December 31, 2013. Thus, rollovers during calendar year 2013 of up to \$100,000 directly from an IRA trustee to a charity, other than a donor advised fund, supporting organization, or private foundation, will be treated as a qualified charitable distribution.

The tax advantage: Unlike a cash withdrawal from your IRA, your direct contribution will be excluded from income for federal purposes and not taxed. It will also count towards your required minimum distribution for the year but will not be eligible for a charitable tax deduction. The transfer will not count toward the annual percentage limitation on your other deductible gifts. Your qualified distribution may be includable in your income for state and local tax purposes, and an offsetting charitable deduction may not be available.

How it works: You can make a distribution from your IRA directly to one or more qualified charitable organizations anytime during 2013. Alternatively, you can direct the rollover to the Jewish Community Foundation to form a restricted fund or endowment fund to support the organizations you care about for the long-term. The process is generally as simple as filling out a form with the financial institution that holds your IRA funds.

Time is of the essence! To take full advantage of the ATRA provisions regarding the IRA Charitable Rollover, please contact Elise S. Wald, Charitable Planning Officer, at elise@jcsandiego.org or Jeremy Pearl, CFO, at jeremy@jcsandiego.org or give us a call at 858-279-2740.

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