



The 2009 Charitable IRA Rollover

Individuals over the age of 70 ½ can make annual tax-free deductions in 2009 of up to \$100,000 from their IRAs directly to their congregation, the UUA, or other UU entity.

This is a limited time opportunity.

Previously, individuals would have had to report any amount taken from an IRA as taxable income before taking a charitable deduction for the gift. The charitable gift deduction is limited to 50 percent of your adjusted gross income, which caused some donors to pay more in income taxes than if they didn't make a gift at all.

Fortunately, IRA gifts now can be accomplished **simply** and **without tax complications**. Plus, you can make the gift now—while you are living and able to witness the benefits of your generosity.

You may contribute from your IRA if:

- You are age 70½ or older
- The gift is \$100,000 or less each year
- You make the gift on or before Dec. 31, 2009
- You transfer funds directly from an IRA or Rollover IRA
- You transfer the gift outright to your congregation, the UUA, or other UU entities of your choosing.

How the Rollover Works

Pat, aged 80, has \$450,000 in an IRA and wants to give \$75,000 this year. If Pat transfers \$75,000 from the IRA, she will avoid paying income tax on that amount. She cannot, however, claim a charitable deduction—it is a pure “wash.” Pat has found an easy way to benefit charity without tax complications.

How to Make a Donation

① Send a letter to your IRA custodian requesting a rollover directly from your IRA directly to the organization of your choice. (*See sample custodial letter on reverse, a template is available online at www.uua.org/giftplanning*)

② Notify the UUA or your congregation of your intentions.

Please plan ahead! It can up to 2-3 weeks for the transfer to take place.

Questions and Answers

Q. I have several retirement accounts, does it matter which retirement account I use?

A. Yes. Gifts can be made from an IRA or Rollover IRA. Pension, profit sharing and other forms of retirement funds do not fall under the new legislation.

Q. Can I use this opportunity to establish a life income gift such as a charitable gift annuity?

A. No. The gift made from your IRA must be treated as an outright gift to qualify.

Q. Does the gift count towards my minimum required distribution?

A. Yes. Although the *Worker, Retiree, and Employer Recovery Act* waives 2009 Required Minimum Distributions (RMDs) from Individual Retirement Arrangements (IRAs), 401(k), Profit-Sharing, Money Purchase Pension, 403(b), and certain 457 retirement plans.

Sample Custodial Letter

A template of this letter is available online at www.uua.org/giftplanning. To make a qualified IRA gift to **your congregation**, just replace the UUA's information with your congregations.

Dear Sir or Madam,

Sec. 408(d)(8)(A) of the Internal Revenue Code permits an IRA rollover directly from an IRA custodian to a qualified public charity. As the owner of IRA account #[*Your Account*] that is in the custody of your organization, I request that you transfer from that account the sum of [*\$ Dollars*] to Unitarian Universalist Association (UUA), attn: Larry Stritof, 25 Beacon Street, Boston, MA 02108. The Treasury Tax ID Number for the UUA is 04-2103733.

It is my intention to make a Qualified Charitable Distribution (QCD) to the UUA from my IRA as permitted by law. Under the Congressional JCT Technical Explanation of Sec. 408(d)(8)(A).

This letter is sufficient authorization for you to make this QCD gift. However, if you require any further documents, please forward those to me for my signature.

Sincerely,

IRA Owner

For More Information

Please feel free to contact the UUA's Office of Legacy Gifts at 888-359-7558 or giftplans@uua.org for more information about direct contributions of qualified IRA assets or about other planned gifts. As with any substantial gift, we recommend that you consult your tax professionals.

UUA Office of Legacy Gifts
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