



UNITED METHODIST
FOUNDATION
ROCKY MOUNTAIN

BREAKING NEWS! IRA Charitable Rollover Continues for 2011

By Linda Gardner, Planned Giving Director,
Rocky Mountain United Methodist Foundation

IRA Charitable Rollover Gift Provisions Pass for 2010 and 2011

In a late afternoon ceremony on Friday, December 17, 2010, President Obama signed the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the 2010 Tax Relief Act) into law. The 2010 Tax Relief Act includes an extension of the Bush-era tax cuts for two years, estate tax relief, a two-year "patch" of the alternative minimum tax (AMT), a two percentage point cut in employee-paid payroll taxes and self-employment tax for 2011, new incentives to invest in machinery and equipment, and a host of retroactively resuscitated and extended tax breaks for individuals and businesses.



One long awaited feature of this legislation is the restoration of the IRA Charitable Rollover for 2010 and 2011. The act is retroactive to January 1, 2010, so charitable IRA rollover gifts made during 2010 by eligible individuals who are taxpayers age 70 ½ or older will qualify for the exclusion benefit.

The principal rules for direct transfers from an IRA to a qualified public charity are that the *IRA owner must be 70½ or older and that the transfers total no more than \$100,000 each year.* A 2010 transfer of this nature qualifies for the required minimum distribution. It must be to a public charity or church either outright or for a specific purpose, but may not be to a donor advised fund or supporting organization. *The transfer must be made directly from the IRA trustee to the charitable organization.*

A very important potential 2010 benefit exists. Because Congress recognized that it is very late in the year, individuals who choose to make a qualified charitable distribution (QCD) rollover from their IRA trustee to a charity may make their 2010 charitable gift during 2010 or in January of 2011.

If you own an IRA and are over age 70½, you may transfer any amount up to \$100,000 directly from your IRA to your United Methodist Church because it is a qualified charity. If you have not yet taken your 2010 Required Minimum Distribution (RMD) you might do a charitable IRA rollover gift that may reduce your income taxes on the IRA RMD. *Be sure to talk with your tax advisor before taking any steps to complete this transfer.*

Even if you have already taken your 2010 required IRA distribution, you still may find the IRA charitable rollover a very convenient way to make a year-end gift.



UNITED METHODIST
FOUNDATION
ROCKY MOUNTAIN

BREAKING NEWS!
IRA Charitable Rollover Continues for 2011

An easy way to start an IRA Charitable Rollover is to send an e-mail to your IRA Custodian. This is usually a financial services company that manages your IRA. Please check their website for the correct e-mail address. Please see the sample e-mail at the end of this letter. If you use this e-mail, please enter your account number in the blank, as well as name and address of your church, tax ID number of your church and how much you want sent directly to your church. Or, you can go into the local office of the company that holds your IRA account (or your financial advisor's office) and have them assist you with the transfer.

In this holy season, we at the Rocky Mountain Conference United Methodist Foundation give thanks for you. May you be surrounded by the blessings of Peace, Joy and Love that were given to all on that first Christmas so many years ago.

Blessings and Love,

Linda Gardner
Gift Planning Director

Sample Email Format:

Dear IRA Custodian,

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, effective from Jan. 1, 2010 to Dec. 31, 2011, permits a rollover directly from an IRA to a qualified public charity. As the owner of IRA account # _____ that is in the custody of your organization, I request that you transfer from that account the sum of \$ _____ directly to (Name of Church), (Address, City, State & Zip). The Treasury Tax ID Number for (Name of Church) is (Church's ID Number).

It is my intention to make a Qualified Charitable Distribution (QCD) to (Name of Church) from my IRA, which may fulfill part or all of my IRA required minimum distribution for this year.

This letter is sufficient authorization for you to make this QCD gift. However, if you require any further documents, please promptly e-mail those to me.

***Cordially yours,
IRA Owner***

This article has been provided as a general information service of the Rocky Mountain United Methodist Foundation. It is not intended to provide income tax advice for any specific individual or circumstance. Readers are directed to seek their own income tax counsel before taking action on anything mentioned in this article. IRS Circular 230 Notice: Pursuant to requirements related to practice before the Internal Revenue Service, any tax advice contained in this communication is not intended to be used, and cannot be used, for purposes of (i) avoiding penalties imposed under the United States Internal Revenue code or (ii) promoting, marketing or recommending to another person any tax-related matter.

Rocky Mountain United Methodist Foundation
7350 East Progress Place, Greenwood Village, CO 80111
303-778-6370

Visit www.RM-UMF.org for more information.