

# Make Your Gift with an IRA Rollover

As a WDIY member, you might be interested to learn about the Pension Protection Act of 2006 which was signed into law in August. This new law provides a wonderful opportunity for philanthropic individuals to make charitable gifts directly from their IRA accounts, while excluding the amount of those charitable gifts from their gross income. This might make sense if you're required to take a minimum distribution from your IRA, but don't need the additional income (or don't want to pay tax on it).

To qualify:

The donor must be 70.5 years old at the time of the gift.

The transfers must go directly to a charity from a traditional or Roth IRA.

Charitable contributions cannot exceed \$100,000 per taxpayer, per tax year of 2006 and 2007.

Gifts must be outright, to qualified charities. (This includes WDIY. However, gifts to donor advised funds and support organizations are excluded, as are contributions to fund charitable remainder trusts and charitable gift annuities.)

Gifts must be cash. Gifts of stock do not qualify.

Distributions from employer-sponsored retirement plans such as SIMPLE- IRAs, 401(k)s and 403(b)s do not qualify.

This IRA Rollover to WDIY may appeal to donors who are already giving at their 50% deduction limit, donors who do not itemize their deductions, and donors for whom additional income will cause more of their Social Security income to be taxed. The Act is effective through Dec. 31, 2007, so a couple could plan charitable gifts totaling up to \$200,000 for each of the taxable years 2006 and 2007 (provided that each spouse owns at least one IRA and can each make a qualified charitable distribution of \$100,00 from their plans).

As always, WDIY encourages you to consult your tax/financial advisor.

Should you have any questions, or need additional information, please contact Dennise Kowalczyk, Executive Director at 610-694-8100 x2 or at [Execdir@wdiy.org](mailto:Execdir@wdiy.org).

Please note, individual financial circumstances will vary. The information on this site does not constitute legal or tax advice. As with all tax and estate planning, please consult your attorney or estate specialist.