



Making a Charitable Gift through an IRA Charitable Rollover

Normally, a distribution from your IRA is taxed as ordinary income. However, federal tax legislation enacted last year allows you throughout 2011, if you are 70½ or older, to make a direct gift from your IRA to the Church through your parish, the Annual Pastoral Appeal, the Catholic Foundation or other diocesan institution or other qualified charity without the distribution taxed as income to you.

The IRA charitable rollover law may provide a very good charitable giving vehicle if you are age 70 ½ and take the standard deduction rather than itemize deductions on your tax return. The law may also reduce the tax impact on your Social Security benefits. Your IRA could be considered a special fund for distributions to the Church or School and other charities without the normal consequences of reporting additional taxable income.

The distribution must be from your IRA, not a 401(k) or other retirement plan. However, consult with your financial or tax advisor about the possibility of transferring funds from one of these other plans to establish an IRA, with the distribution to charity coming from the newly established IRA.

The IRA distribution must be a direct charitable gift and not a distribution to a donor-advised fund, a charitable remainder trust or for a charitable gift annuity.

To take advantage of the IRA charitable rollover to support the Church, please review the following helpful tips on how to handle your charitable gift correctly:

- Contact your IRA custodian or representative **before** making a gift to arrange for the proper transfer of funds from your IRA directly to the Church and other qualified charities. The check issued from the IRA must be made payable to the charity.
- If you have elected to have income tax withheld from your normal IRA distributions, advise your IRA administrator not to withhold taxes from distributions to charity.
- While this topic is fresh on your mind, ask your attorney and financial advisor how to make the Church a beneficiary of your will or trust or IRA.

For more information about how you and the Church can benefit from an IRA charitable rollover, contact Mrs. Sullivan in the parish Stewardship Office at 813.657.9787 or Mr. Jon Jones at the Catholic Foundation for the Diocese of St. Petersburg at 727.374.0220.

These helpful tips are only for your information on this change in the IRA law and are not to be considered as legal, tax or financial advice. You should consult with your legal, tax and financial advisors to implement the benefits of the IRA charitable rollover law and related matters.