



# IRA ROLLOVER

You can receive a tax break and help children in foster care at the same time! An IRA Charitable Rollover is a great way to help children and youth in foster care know they are not alone.

Individuals over the age of 72 are required to take minimum distribution from their traditional IRA accounts. You can reduce your income tax liability on your required minimum distribution by making a tax-free charitable IRA distribution to the Arizona Friends of Foster Children Foundation. To qualify, you must:

- Be 72 years or older at the time the IRA distribution is made to AFFCF
- Make the distribution directly from your IRA account to AFFCF. Contact your IRA custodian and direct them to issue a check in the amount you specify directly to AFFCF.
- Provide your IRA custodian the following information so they can issue a check payable to AFFCF:
  1. Legal Name: Arizona Friends of Foster Children Foundation
  2. Federal Tax ID: 86-0468850
  3. Address: 360 E Coronado Rd, Ste 190, Phoenix, AZ 85004
  4. **Ask the custodian to put your name in the memo line of the check or include a letter stating your name and address.** Doing so will let us know it's from you and we can provide you an acknowledgment for your records. Your IRA custodian can mail the check directly to us or you can mail it to us or deliver the check in person.

Please be sure to talk to your tax advisor for specific rules related to making qualified charitable distributions.



# IRA Charitable Rollover FAQs

*Below are answers to some frequently asked questions about making an IRA Charitable Rollover gift to the Arizona Friends of Foster Children Foundation (AFFCF).*

## **How do I make an IRA Charitable Rollover to AFFCF?**

- Be age 70.5 years or older at the time the IRA distribution is made to AFFCF (The SECURE Act increased the required minimum distribution to age 72, however, those who are 70.5 or older can still use their IRA to make a qualified charitable distribution).
- Make the distribution directly from your IRA account to AFFCF. Contact your IRA custodian and direct them to issue a check in the amount you specify to AFFCF.
- Provide the following information to your IRA custodian so they can issue a check payable to AFFCF:
  1. Legal Name: Arizona Friends of Foster Children Foundation
  2. Federal Tax ID: 86-0468850
  3. Address: 360 E Coronado Rd, Ste 190, Phoenix, AZ 85004
  4. **Ask the custodian to put your name in the memo line of the check or include a letter stating your name and address.** Doing so will let us know it's from you and we can provide you an acknowledgment for your records. Your IRA custodian can mail the check directly to us or you can mail it to us or deliver the check in person.

## **What is the deadline to complete a gift?**

Distributions by check must have a postmark on the envelope no later than December 31 of the same tax year.

## **Can I make a gift from my IRA if I have already taken my required minimum distribution (RMD)?**

Yes! Individual donors may exclude up to \$100,000 from gross income for qualified charitable contributions. If you file taxes jointly, your spouse may also make a qualified charitable distribution from his or her own IRA within the same tax year for up to \$100,000. Your donation counts toward your RMD, but it is not limited by your RMD.

## **Can I contribute more than \$100,000 to a qualified charity from an IRA?**

Yes, however, the law limits the exclusion from gross income to \$100,000. Charitable contributions from an IRA in excess of \$100,000 must follow the general rules pertaining to percentage limitations and itemized contribution reductions.



### **Are IRA distributions already taken by me eligible to gift as a qualified charitable distributions?**

No, but you can make gifts from IRA distributions that do not meet the requirements of a qualified charitable distribution. In these cases, the IRA distribution would be recognized as income for tax purposes and would typically be eligible for a federal income tax charitable deduction.

### **Is my IRA Charitable Rollover gift eligible for an income tax charitable deduction?**

No. Donors of qualified IRA gifts do not receive a federal income tax charitable deduction for the IRA gift, as they are not being taxed on the withdrawal.

### **What are the other advantages to making a gift through a qualified IRA?**

A qualified charitable distribution excludes the amount donated from taxable income, unlike regular withdrawals from an IRA. Keeping your taxable income lower may reduce the impact to certain tax credits and deductions, including Social Security and Medicare. Donors who do not itemize deductions on their federal income tax returns may benefit from qualified IRA gifts because of the gifts' exclusion from gross income. Amounts withdrawn from an IRA account are removed from the donor's taxable estate. Please consult your tax advisor to learn which benefits apply to your specific situation.

### **Are all types of IRA accounts eligible for a qualified charitable distribution (QCD)?**

Traditional, Rollover, Inherited, SEP (inactive plans only) and SIMPLE (inactive plans only) are eligible for QCDs. Donors may convert SEP or SIMPLE IRAs to a traditional IRA to be eligible for a QCD.

### **Are gifts from retirement plans other than an IRA eligible?**

No, but donors may be able to make qualified transfers from their pension or retirement plan - such as a 401(k) or 403(b) - to their IRA, and then make a charitable gift from their IRA account.

### **How are qualified charitable distributions reported for tax purposes?**

A QCD is reported as a normal distribution on IRS Form 1099-R for any non-inherited IRA. For inherited IRAs or Inherited Roth IRAs, the QCD will be reported as a death distribution. While the QCD amount is not taxed, you may not then claim the distribution as a charitable tax deduction.

*Please note: this information is not intended to be legal or tax advice. We strongly recommend that you discuss your plans with your tax professional, accountant or attorney when making your gift to AFFCF.*

