

## **Tax-Free IRA Rollover Gifts Are Back!**

Congress has reauthorized legislation that allows donors to make charitable gifts from their IRA accounts. A provision of the new tax law, which was signed by President Obama on December 17, 2010, enables people 70½ or older to make an IRA/charitable rollover during tax years 2010 and 2011 without incurring income tax on the withdrawal.

If you have not already taken your 2010 required minimum distribution (RMD), you can satisfy up to \$100,000 of your 2010 RMD by making an IRA rollover to Latham Centers now through January 31, 2011.

While you cannot claim a charitable deduction for IRA gifts, you will not pay income tax on the withdrawn amount.

### **Here's how it works:**

Since you must follow specific rules in order to benefit from this rollover option, you should contact your own tax advisors to learn how the rules may affect your particular tax situation.

- You must be 70½ years of age or older.
- You may distribute any amount up to \$100,000 each year in 2010 and 2011. If you have not already taken your 2010 required minimum distribution (RMD), you can satisfy up to \$100,000 of your 2010 RMD by making an IRA rollover to The Cooper Union—now—through January 31, 2011.
- Your IRA rollover gifts must be made outright to qualified charities from a traditional IRA or a Roth IRA.
- The transfer must go directly from your IRA to qualified charities; gifts to donor advised funds, private foundations, and supporting organizations are not eligible.
- The amount rolled over from your IRA will be excluded from your gross income.
- Your IRA rollover will count toward your minimum distribution requirement.
- There is no federal income tax deduction for the IRA rollover gift.
- The IRA rollover provision is effective now through December 31, 2011.
- If you make a gift to Latham Centers, please include written instructions on how you want to designate your gift by making a note on your IRA check, or you can call 508-896-5776 ext.296 or email [gdes@lathamcenters.edu](mailto:gdes@lathamcenters.edu) with your gift designation.

You might consider:

- Establishing an endowed fund for a minimum of \$10,000 for crucial initiatives such as staff training/continuing education; or Vocational Training for children and adult residents.
- Designating your IRA gift of any amount to support the Annual Fund, the Latham Endowment Fund or another priority funding initiative.

**The new tax-free IRA rollover option may be especially attractive to:**

- Donors who do not itemize their deductions
- Donors required to take minimum withdrawals from their IRAs but don't need that income currently
- Donors whose income level causes the phase-out of their exemptions
- Donors already giving at their 50% deduction limit
- Donors for whom additional income will cause more of their Social Security income to be taxed

For more details of how the new tax law may help you plan more generous support for the College, please also visit: <http://www.pgcalc.com/about/featuredarticlejanuary11.htm>

**Thank you for your support!**