



JEWISH  
COMMUNITY  
FOUNDATION

## Charitable IRA Distributions Permanently in Effect

### An opportunity to make an annual distribution free from federal tax

There is good news for foundation donors aged 70½ and older—and for the causes they care about. On December 18, 2015 Congress passed, and President Obama signed, the PATH Act making permanent an individual's ability to give individual retirement account (IRA) assets to charity, free from federal tax, annually. Prior to 2006, all lifetime distributions from IRAs were taxed—even those given to charity.

As such, our donors can give far more with less! This may be an attractive giving option for you if you are:

- Over 70½ and now receiving minimum IRA distributions—but do not need the extra income.
- Interested in making a significant lifetime gift to impact our community.

The Pension Protection Act of 2006 permitted individuals to roll over up to \$100,000 from an IRA directly to a qualifying charity without being taxed. Single and married individuals 70½ and older are eligible to give in this way from their individual retirement accounts. The PATH Act now makes this legislation permanent.

Using IRA assets to make a gift during your lifetime, as opposed to giving via bequest in your will, enables you to experience the joy of making a major gift. Please contact your tax or financial advisor to see if you qualify to take advantage of this opportunity.

For more information on the charitable giving legislation and Charitable IRA distributions, please contact Risé Roth or Hollis Dorman at the Jewish Community Foundation at 860-523-7460.

#### **Example:**

Mr. Cohen, age 75, has accumulated approximately \$2,000,000 in his IRA accounts. He has other sources of wealth and has plans to leave a sizable estate to his heirs and charity.

Under this law, Mr. Cohen can create a fund at the Jewish Community Foundation to address the causes he cares about most by transferring IRA funds tax free. Mr. Cohen can transfer up to \$100,000 in 2015. In addition, if Mr. Cohen is married, his wife can also make similar gifts from her IRA accounts, impacting the community in ways personal, unique and enduring.