

## TOOLS FOR GIVING

# The opportunity of a lifetime to give the gift of a lifetime

## Tax-free Charitable IRA



**Transfer up to \$100,000** from your individual retirement account to charity this year—*tax-free. New legislation allows you to give more to charity and pay less in taxes.*

### How it works

- You make a gift of up to \$100,000 by transferring IRA assets to your community foundation. You must be 70½ years old. If married, each spouse can transfer up to \$100,000 from his or her IRA.
- Your gift can be placed into a charitable funds in your name, the name of your family, or in honor of any person or organization you choose. We handle all administrative details.
- Your gift can be placed into an endowment that is invested and will grow over time. Grants addressing community needs will be made forever.
- Until December 31, you may transfer an additional \$100,000.

### Choose a fund

**Unrestricted Fund**—Address a broad range of current and future needs. The community foundation awards strategic grants to select projects and programs.

**Field of Interest Fund**—Target your gifts to causes important to you. The community foundation awards grants to programs addressing your specific interest area.

**Designated Fund**—Support the good work of a specific nonprofit organization with a source of income, plus planned giving and investment management services.

### Choosing charity over tax

“We saved very carefully for so many years. In fact, we wound up with more than we needed during our retirement,” said Anna Henderson. “We had even set aside assets for our children—enough to give them a nice inheritance when we pass on.” Instead of leaving their children 42 percent of their retirement assets (after estate and the heirs’ income taxes) the Hendersons decided to transfer 100 percent of these funds to their community foundation. The community foundation received their gift, tax free, and helped them establish the Henderson Family Fund, a Field of Interest Fund. “It feels good to make this gift during our lifetime,” said Stephen. “We enjoy seeing the difference our gift is making to some key health issues in our community.”

### Ten reasons people choose to give through community foundations

#### one

We are a **local organization** with deep roots in the community.

#### two

Our professional program staff has **broad expertise** regarding community issues and needs.

#### three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

#### four

Our funds help people **invest in the causes** they care about most.

#### five

We accept a wide **variety of assets** and can facilitate even the most complex forms of giving.

#### six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

#### seven

We offer maximum **tax advantage** for most gifts under federal law.

#### eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

#### nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

#### ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

### More benefits

We can make your charitable IRA transfer easy, flexible and effective, helping you achieve your personal charitable goals *and* financial goals. We are happy to answer your questions and complete all required paperwork; or, if you prefer, we can consult with your financial advisor or estate planner to recommend a solution that's right for you and your family.

You can transfer excess retirement assets up to \$100,000 per year, directly and easily to the community foundation. The transaction incurs no federal income tax, and the asset is no longer part of your estate for tax purposes. You can choose to give during your lifetime so that you (and your community) can see results sooner than if your gift had been made through the plan.

Larger estates face confiscatory tax rates of up to 75 percent if IRA funds are left to a dependent or family member (other than a spouse). Any amounts left in an IRA when an individual dies may be taxed as income to the beneficiary and are also considered assets for the purpose of calculating that person's estate tax liability. When you give your IRA to charity, your heirs are not burdened by the taxes associated with receiving your IRA upon your death. Instead, you can leave them other assets that have a more favorable tax treatment.

*Community foundations provide a simple, powerful and highly personal approach to giving. We offer a variety of giving tools to help people achieve their charitable goals.*

*You can make a gift of IRA, cash, stocks, bonds, real estate or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact your community foundation.*

