

Charitable Giving & Your IRA

Giving to Click or tap here to enter text. through your IRA has never been easier. Now you can choose to make a gift that is both generous and tax-smart through your annual Required Minimum Distribution or your estate.

Give the gift of a lifetime

Thanks to the PATH Act signed into law December 2015, If you are 70 ½ or older, you can give directly from your traditional IRA to a qualified charity, such as the Click or tap here to enter text. Fund at The Alaska Community Foundation. This qualified charitable distribution is not subject to federal taxes and can satisfy your Required Minimum Distribution. In past years, the IRA charitable provisions were typically extended by Congress annually at the end of the year. The PATH Act permanently extends the provisions allowing tax-free distributions, allowing you to make a donation anytime during the year.

Now, your retirement funds can go further than ever before. The IRS requires individuals who are 70 ½ or older to take a minimum distribution from traditional retirement plan accounts, but now you can give up to $100,000 of your Required Minimum Distribution annually from a traditional IRA without incurring income taxes today, or estate and income taxes in the future. If married, you and your spouse can transfer up to $100,000 from each traditional IRA annually.

Think of the impact you can make by giving this way. You can support the Click or tap here to enter text. Fund at The Alaska Community Foundation while reducing your taxes.

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Give through your estate to make a lasting difference

IRA Donations

By gifting some or all of your IRA neither you nor your heirs will pay income taxes on the distribution of the assets donated to Click or tap here to enter text. Fund at The Alaska Community Foundation. Many people think IRA distributions are income tax-exempt, but they are not. The IRS defers taxes until distributions are made from the IRA, whether distributed to you or others through your estate. Naming a charity as beneficiary on your IRA means that no one ever pays income tax on that asset. Think about that for a moment. Why leave an after-tax gift to charity when you can make a tax-favored donation?

A charity can receive from your IRA in many ways. It need not be your only beneficiary. Instead, you can name a charity to receive a fixed percent of your IRA as the primary beneficiary. You can also name the charity as a contingent (secondary) beneficiary to receive from the IRA if your primary beneficiary disclaims or does not survive you.

Other Ways to Give Through Your Estate

401(k) Beneficiary Designations

The same tax benefits are available for 401(k) beneficiary designations as IRAs. Naming a charity as beneficiary of your 401(k) means that no one ever pays income tax on that asset.

Life Insurance Beneficiary Designations

Naming a charity as a beneficiary on life insurance is another painless way to do good things for causes you believe in. While life insurance does not have the income tax benefit as IRAs and 401(k)s, they can still provide much needed support for Click or tap here to enter text..

**It’s easy to change your IRA, 401(k) or life insurance beneficiary designation. Your insurance agent, CPA, financial advisor or attorney can assist you with these simple forms**.

Click or tap here to enter text.