

New Law Permits Tax-Free IRA charitable rollovers if you are age 70 ½ or older

As part of the financial rescue package, the U.S. Congress has voted to extend retroactively the IRA charitable rollover provision from January 1, 2008 through December 31, 2009. This action reinstates the rollover as enacted by the Pension Protection Act of 2006.

The IRA charitable rollover permits individuals over age 70 ½ to make tax-free charitable gifts of up to \$100,000 per year directly from their individual retirement accounts to qualified charities like Areyvut.

Further, this donation from your IRA will count toward your Required Annual Distribution.

- **Lower Tax on Social Security:** A charitable donation made from your IRA to Areyvut can reduce the amount of Social Security income that is taxable.
- **Effectively Increase Your Giving Limit:** A donation made directly from your IRA to Areyvut permits you to give “over & above” the usual deductible amount of 50% of annual income-up to \$100,000 in 2008 and/or 2009.
- **Save Taxes on Lower Reportable Income:** A donation made directly from your IRA to Areyvut may lower your reportable income and save taxes.
- **Standard Deduction Benefit:** For those who do not itemize on their tax return, a donation made directly from your IRA to Areyvut will be excluded as income on your return, and therefore may reduce your taxes.

Your IRA custodian or trustee must transfer your IRA gift directly to Areyvut, the entity that is accepting qualified IRA tax-free contributions under this new law. Your donation will be used for the purpose that you have chosen.