



# Charitable IRA Rollover

*A tax-efficient gift from your Individual Retirement Account (IRA) to benefit Legal Aid*

This summary provides general information. *It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, please consult your financial advisor or tax professional.*

## What is a Charitable IRA Rollover?

The Charitable IRA Rollover allows individuals age 70 ½ and older to make direct transfers from individual retirement accounts to qualified charities without having to count the transfers as income for federal tax purposes. In addition, if you have reached the age where you must take a required minimum distribution (RMD) from your IRA, the transfer counts toward that amount.

## What gifts qualify for a Charitable IRA Rollover?

- A rollover must go directly from your IRA to a 501(c)(3) organization like Legal Aid for which the donor receives no benefits. It cannot be given to a Donor Advised Fund or private foundation.
- The rollover must come from a traditional IRA and not from any other type of retirement plan (401(k), 403(b), Keogh, ESOP).
- An individual's total Charitable IRA Rollover gifts cannot exceed \$100,000 per tax year.
- The gift must be made by a person age 70 ½ or older.

## Do I receive a tax deduction with a Charitable IRA Rollover gift?

No. Since the rollover is excluded from your taxable income, providing a deduction in addition to that exclusion would create a double tax benefit. Because the rollover reduces income and is not an itemized deduction, the gift benefits even those donors who do not itemize but instead file the standard deduction.

## What is the latest regarding Required Minimum Distributions (RMDs)?

The Setting Every Community Up for Retirement Enhancement (SECURE) Act took effect on January 1, 2020. As a result, the following rules now apply to Required Minimum Distributions (RMDs):

- If you turned 70 ½ on or before December 31, 2018, you must continue taking your RMD as you have in previous years.
- If you turned 70 ½ in calendar year 2019, you must take your **first RMD by April 1, 2020**.
- If you turn 70 ½ in calendar year 2020 or later, you now may wait until age 72 to take your first RMD.

In each case, the amount of your Charitable IRA Rollover counts toward your annual RMD.

## How do I initiate a Charitable IRA Rollover to Legal Aid?

Contact your IRA administrator to request. We have provided a sample letter on the back of this information sheet that you are free to use for reference.

## How do I inform Legal Aid that I've designated my Charitable IRA Rollover?

Financial advisors do not always let Legal Aid know about pending or confirmed transactions. Please contact John Wiler at 216-861-5590/[john.wiler@lasclv.org](mailto:john.wiler@lasclv.org) or return the enclosed pledge form to inform Legal Aid.



The  
Legal Aid Society  
of Cleveland  
Since 1905

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## *Sample letter directing a Charitable IRA Rollover to the Legal Aid Society of Cleveland*

Date \_\_\_\_\_

Name and Address of IRA Custodian or Trustee

### **Re: Charitable IRA Rollover - distribution to The Legal Aid Society of Cleveland**

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account # \_\_\_\_\_ as provided in The Protecting Americans from Tax Hikes Act of 2015 and Section 408(d)(8) of the Internal Revenue Code of 1986, as amended.

Please issue a check in the amount of \$\_\_\_\_\_ payable to the Legal Aid Society of Cleveland and mail it to:

The Legal Aid Society of Cleveland  
Attention: John Wiler  
1223 West Sixth Street  
Cleveland, OH 44113  
  
EIN: 34-0866026.

I further represent as follows:

(1) I am over 70 ½ years of age. My date of birth is: \_\_\_\_\_.

(2) I will not receive any benefits from The Legal Aid Society of Cleveland as a result of this rollover. This rollover is not directed to a charitable remainder trust, lead trust, gift annuity, pooled income fund, donor advised fund, supporting organization, family foundation, or other non-qualified use of a charitable IRA rollover.

In your transmittal to Legal Aid, please include my name and address as the donor of record in connection with this distribution. Please copy me on your transmittal.

It is my intention that this distribution qualify for exclusion from my taxable income during the 20\_\_ tax year. Therefore, it is imperative that this distribution be delivered to Legal Aid no later than December 31, 20\_\_.

If you have any questions or need to contact me, I can be reached at \_\_\_\_\_. Thank you for your assistance in this matter.

Sincerely,

Donor's name as listed on the IRA