

The Charitable IRA Rollover Is Permanent!

On 18 December 2015, President Barack Obama signed the Protecting Americans from Tax Hikes Act of 2015, which includes a permanent extension of the charitable IRA rollover.

What Does This Mean? Under the law, donors age 70½ or older who move up to \$100,000 from their IRAs **directly** to qualified charities during the calendar year will not have to pay income taxes on their gift. The gift **will** qualify toward their required minimum distribution, will not be subject to charitable giving limitations, and will not qualify for a charitable deduction.

The permanent extension keeps in place all of the previous requirements.

Recap of IRA Charitable IRA Rollover Rules

- Donor must be at least 70 ½ years of age when the gift is made.
- Transfer must be made directly from the IRA administrator to the Darden School Foundation.
- The maximum allowed gift per individual is \$100,000 per year.
- Must be outright gifts. Contributions for life income gifts, such as gift annuities or charitable remainder trusts, or for gifts with related premiums do not qualify.
- This gift opportunity only applies to IRAs.
- The charitable IRA distribution can be used to pay a pledge.

Benefits of Charitable IRA Rollover

- May make a significant gift without using cash or other assets.
- The rollover amount is a tax-exempt distribution and not subject to income tax.
- IRA rollover can be used to meet all or part of required minimum distribution (RMD).
- Gift not subject to charitable gift limitations.
- Still benefit from reduced taxes if you do not itemize.

Steps for Direction of Charitable IRA Rollover to Darden School Foundation

- Contact your IRA plan administrator for their specific transmittal form to request a gift transfer from your IRA to the Darden School Foundation.
- Direct your plan administrator to make the transfer on or before 31 December. Postmark must be no later than 31 December of the year you want to receive credit.
- Inform us of the designation of your gift. You may do so in one of the following ways:
 1. Noting the designation at the bottom of your direction letter and submitting by mail, fax or email attachment to PlannedGiving@darden.virginia.edu.
 2. Sending an email to PlannedGiving@darden.virginia.edu with your name, contact information, IRA administrator name, gift amount and designation information.