

Guide to IRA Gifts

A Special Opportunity for Year-End Giving –

The Tax Relief, Unemployment Insurance Re-authorization and Job Creation Act of 2010.

Give directly from your IRA tax-free and avoid early withdrawal penalties.

The Act allows gifts to be made from your IRA funds to your favorite charities like Lutheran Social Services of South Dakota to be made without tax penalty. These gifts may be made in any amount up to \$100,000 and are called “qualified charitable distributions.”

Who can make these gifts?

IRA owners 70 ½ and older may give to ministries and public charities. Only regular and Roth IRA's qualify. Donors with other qualified retirement plans (i.e., 401k, 403b, 457, TSA) may be able to roll them over to an IRA and then use the IRA rollover to make a gift.

How should a donor make this gift?

The gift is effective immediately. IRA owners should contact their IRA custodian to direct transfers to LSS of SD, churches or other public charities. Specific transfer and reporting forms are available from Lutheran Planned Giving. Please note, that it can take weeks for your IRA custodian to make the transfer, so be sure to start early to make your gift by January 31, 2011 and be treated as if made during 2010.

How does the tax savings work?

While there is no charitable income tax deduction for the IRA rollover, the distribution is not included in the donor's taxable income, thus simplifying the donor's tax return and saving income tax. An added bonus is that an IRA rollover gift by January 31, 2011 will qualify for all or part of the IRA owner's required minimum distribution for 2010.

This information is for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal advisor before proceeding with your estate plan.

For assistance in making IRA gifts to Lutheran Social Services of South Dakota, please contact Resource Development, LSS, 605-357-0106 or 1-800-568-2401, email: jodi.boese@LssSD.org.