



## WHAT IS A CHARITABLE IRA ROLLOVER?

Are you looking for a tax-wise way to make a charitable contribution? If so, consider making a qualified charitable distribution from your IRA account.

At your direction, the custodian of your IRA can transfer money from your IRA directly to a qualified public charity, like Nebraska Community Foundation. This gift is a qualified charitable distribution (QCD), which is often called a Charitable IRA Rollover.

To make a Charitable IRA Rollover gift, you must be at least age 70 ½, your gift must be made from a traditional IRA, and you can give up to \$105,000 in 2024 with future year's distributions indexed for inflation.



Nebraska Community Foundation unleashes abundant local assets, inspires charitable giving and connects ambitious people to build stronger communities and a Greater Nebraska.

Headquartered in Lincoln, the Foundation serves communities, donors and organizations by providing financial management, strategic development, education and training to a statewide network of 1,500 volunteers in more than 250 communities.

We would be happy to meet with you and your professional advisor to discuss your charitable gift planning ideas.

### **Please contact us for more information.**

The Office of Gift Planning  
Nebraska Community Foundation  
402.323.7330  
info@nebcommfound.org  
nebcommfound.giftlegacy.com

### **Committed to Quality and Accountability**



Nebraska Community Foundation is confirmed in compliance with National Standards for U.S. Community Foundations as established by the Council on Foundations. This means that NCF meets the nation's highest philanthropic standards for operational quality, integrity and accountability.

# CHARITABLE IRA ROLLOVER



*Reduce your tax burden even if you don't itemize.*



## IS A CHARITABLE IRA ROLLOVER GIFT RIGHT FOR YOU?

**Making a gift directly from your IRA comes with several advantages:**

- Your gift is excluded from taxable income—it may count as your required minimum distribution (RMD)
- It may prevent you from being pushed into a higher tax bracket
- It is easy to make—just notify your IRA custodian
- It minimizes the effect on your cash flow; the gift is from your assets, not your checkbook
- It allows you to make a significant gift to support your community

### **Other considerations:**

- You must be 70½ or older. If married, each spouse may transfer up to \$105,000 from their IRA in 2024 with future year's distributions indexed for inflation.
- Allow time to process the transfer before the end of the tax year
- Make sure your gift is transferred directly to the charitable organization
- If you have a different retirement plan, such as a 401(k) or 403(b), you would first make a tax-exempt transfer from your 401(k) or 403(b) to establish an IRA and could then make your gift.

Don't have an IRA? If you have another retirement account, contact us for ideas on how you can use this tax-wise giving method!

**info@nebcommfound.org or 402.323.7330**

## HOW DOES THE QUALIFIED CHARITABLE DISTRIBUTION FROM YOUR IRA WORK?



IRA FORM



GIFT TO NCF

You provide the custodian of your IRA with written instructions to make a direct gift from your IRA payable to Nebraska Community Foundation for the benefit of an affiliated fund. Many custodians have a form that you can use. We can also provide you with a sample letter that you can use in the event your custodian does not have a form.

Once you complete the form or letter, mail it to your custodian. The custodian will then follow your instructions and send your gift to us.

If you have decided to make a charitable IRA rollover gift to Nebraska Community Foundation, please let us know, especially if you are making your gift at the end of the year. To take advantage of the benefits of a charitable IRA rollover gift, your custodian will have to mail your gift by year's end. More often than not, a custodian will just send a check without any accompanying documentation.

If we know your gift is coming, we can be sure to give you credit for your gift and to thank you.

## TAX-SAVVY COUPLE CHOOSES CHARITABLE IRA ROLLOVER

Ron and Judy Parks of Papillion are longtime supporters of Nebraska Community Foundation. Ron used a Charitable IRA Rollover to make a major contribution to NCF's endowment. The Charitable IRA Rollover law, which has been extended permanently, allows those age 70½ and older to transfer funds from an IRA to a charity tax-free.

"I started taking a required minimum distribution from my IRA annually, and I have to pay taxes on that. At this point in our lives, Judy and I don't need the extra income and we certainly don't need the extra taxes," Ron said.

"I looked at different ways of charitable giving, including gifts of highly appreciated stocks, gift annuities and life insurance, and for me, the Charitable IRA Rollover seemed like a great way to make a charitable gift."

