



Camp Hazen YMCA

We Build Strong Kids

Ways to Give using an IRA

The Pension Protection Act and Charitable IRA Rollovers

Recently, Congress extended the Pension Protection Act of 2006 (PPA), which permits taxpayers to exclude from their gross income certain distributions from their Individual Retirement Accounts (IRAs) if made directly to a charity. To be a "qualified charitable distribution" the gift must meet the following conditions:

- Donors must be 70 ½ years of age or older when the gift is made. This is also the age at which individuals are required to begin mandatory annual, taxable, withdrawals from their retirement plans, so directing a gift to charity from the plan will also count toward the minimum required withdrawal.
- Transfers must go directly from the IRA plan administrator to qualified charities. If the plan owner first withdraws the cash and then contributes it, it will be considered a taxable distribution of instruction are provided here that you may adapt for this purpose.
- Gifts must come only from an IRA or Roth IRA; no other plan is permitted. Plan owners should be able to roll over assets from another plan into an IRA to make a gift.
- Total funds contributed to charities cannot exceed \$100,000 per taxpayer per year.
- Such gifts must be completed by December 31, 2009, to qualify for the income tax exemption provided by this law.
- Gifts must be outright. Transfers to donor advised funds, supporting organizations, and, unfortunately, all life income gift plans do not qualify.

Note: Under the PPA, a distribution from the plan directly to a qualified charity will not be eligible for a charitable income-tax deduction because it is not recognized as taxable income.

Here are the salient points as they relate to Camp Hazen YMCA:

- The Pension Protection Act provides an excellent way for anyone who has a required minimum distribution from their IRA or Roth-IRA to give *up to* \$100,000 to Camp
- No income tax deduction is given; however, the donor is credited with the required minimum distribution for tax purposes.
- This can satisfy a pledge, create an endowment, or fund a special project if you wish.
- The money is directly "rolled" from your retirement plan to Camp Hazen YMCA.

If you would like additional information, or have questions about how you might take advantage of this special opportunity, please contact Camp Hazen YMCA's Development Coordinator, Bruce Watrous, at (860) 526-9529 or bwatrous@camphazenyumca.org.