

Smith County
Pioneer

Dec. 22, 2011

Make a charitable gift directly from your IRA before Dec. 31

A special IRA rollover provision allows individuals who are 70 1/2 or older to take tax-free withdrawals from their IRA's as long as that money goes directly to a charity, such as the Smith County Community Foundation. Although the donor cannot claim the gift as a tax deduction, the IRA withdrawal that's donated directly to a charity is excluded from income, up to \$100,000.

And there's another

benefit: the withdrawal counts against the required minimum distributions for the year. IRA owners who are 70 1/2 or older are required to withdraw a minimum amount every year and pay taxes on the money, even if they don't need it. By donating the money to a charity, that requirement can be fulfilled without incurring a tax bill.

The IRA distribution must go directly to the charity. If the check is

made out to you, you'll owe taxes on the withdrawal. A gift to any existing fund with the Smith County Community Foundation is eligible for this tax-free IRA distribution.

For more information call your financial adviser or the Smith County Community Foundation at 785.476.7538.

*Submitted by
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