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Amherst, MA  
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## WHAT IS A CHARITABLE IRA ROLLOVER?

It is a simple way for people to make charitable contributions using assets in their individual retirement account (IRA) to support organizations they care for now.

## IS THIS DIFFICULT TO DO?

Not at all. For most people, it takes less than 20 minutes to set it up.

## I HAVE HEARD ABOUT “QUALIFIED CHARITABLE DISTRIBUTIONS” (QCD). IS THIS THE SAME THING AS A CHARITABLE IRA ROLLOVER?

Yes. A QCD is a language used in the tax code, but they are more often referred to as Charitable IRA Rollovers.

## WHAT IS THE MINIMUM AGE FOR MAKING A CHARITABLE IRA ROLLOVER GIFT?

You must turn 70½ prior to completing the distribution. Although the RMD is not required until age 72, the QCD can be particularly beneficial for donors who do not itemize and instead file the standard deduction.

## WILL MAKING A CHARITABLE IRA ROLLOVER GIFT AFFECT MY REQUIRED MINIMUM DISTRIBUTION (RMD)?

If you are age 72 or older, the amount distributed to PDF will be deducted from your RMD. You can contribute more than your RMD if you wish, up to \$105,000. There are some fine points one should discuss in advance with your tax preparer.

## CAN I GET A TAX DEDUCTION FOR MAKING A CHARITABLE IRA ROLLOVER?

IRA rollover gifts are generally not deductible – but the money is not included in your income in the first place, which for many people is more favorable than a deduction. Since many people use the standard deduction when filing their taxes, charitable gifts may not provide an additional financial benefit.

## I HAVE A ROTH IRA. CAN I USE IT FOR A CHARITABLE IRA ROLLOVER?

Roth IRAs are generally eligible for rollover treatment; however, you may wish to discuss with your financial advisor whether this is the best way for you to give.

## **I DON'T HAVE AN IRA. CAN I MAKE A CHARITABLE IRA ROLLOVER FROM ANOTHER TYPE OF RETIREMENT ACCOUNT?**

No. Transfers must come directly from an IRA or Roth IRA. However, if you have retirement assets in a 401(k), 403(b), etc., you may be able to roll those funds into an IRA, then use the IRA for giving. Please discuss this option with your financial advisor.

## **WHAT IS THE MINIMUM GIFT SIZE? IS THERE A MAXIMUM?**

The minimum gift size depends on the policies of your IRA custodian. The maximum distribution permitted by the IRS is \$100,000, per taxpayer, per year. Again, there are some fine points one should discuss in advance with your tax preparer.

## **ARE THERE RESTRICTIONS ON THE CHARITABLE IRA ROLLOVER?**

A rollover cannot be used to make gifts when the donor receives a benefit in return (e.g., to attend a dinner).

## **HOW DO I INITIATE A CHARITABLE IRA ROLLOVER?**

In most cases, you should start by contacting your IRA custodian as soon as you have decided to proceed. If you have an IRA with check-writing features, please be aware that your check must be made out to "The Peace Development Fund" and must clear the account by December 31 to count toward the current year's RMD.

## **WHEN SHOULD I INITIATE A REQUEST FOR A DISTRIBUTION?**

You may request a distribution at any time during the year. If you want your distribution to count toward this year's RMD, please initiate your transfer as soon as possible and no later than early December to allow ample time for any transfer to be completed. If you want to get a jump on the next tax year, initiate a transfer in January.

## **ARE THERE SPECIAL FORMS I NEED TO USE?**

Your IRA custodian may have its own form to request the transfer; if not, we have enclosed a sample instruction letter you could send to your custodian, as well as a companion letter to send to PDF so we know what you have set in motion.

## **CAN MY IRA GIFT SATISFY A PLEDGE OR CREATE AN**

**ENDOWMENT?** *Yes, subject to agreement with PDF's gift acceptance policies.*

## **WHAT TYPE OF ACKNOWLEDGEMENT SHOULD I EXPECT?**

We will send you a written acknowledgment of your gift to thank you and to confirm the amount of your gift and its intended purpose. Remember that IRA distributions are not tax deductible but they are much appreciated.

## **HOW DO I KNOW IF A CHARITABLE IRA ROLLOVER IS RIGHT FOR**

**ME?** If you are age 72 or over and have an IRA, the rollover might be right for you if:

- You do not itemize deductions.

- You don't need your required minimum distribution (RMD).
- Your RMD causes more of your Social Security income to be taxed.
- You are making charitable contributions at your deduction limit, but want to give more.

## **I HAVE MORE QUESTIONS. WHOM SHOULD I CONTACT?**

For more information, please call Director of Advancement and Communications, Lora Wondolowski at 413-256-8306 or e-mail [lora@peacefund.org](mailto:lora@peacefund.org)

Please consult your advisors to be sure a charitable IRA rollover works well for you. Thank you for your consideration!

The Peace Development Fund, is a tax-exempt 501(c)(3) non-profit organization with federal identification number 04-2738794.

**Sample 2022 request from Plan Owner to IRA Plan Administrator**

*authorizing charitable distribution to PDF from Individual Retirement Account*

**RE:** Request for Qualified Charitable Distribution from Individual Retirement Account

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account # *(Account Number)*.

Please issue a check in the amount of \$\_\_\_\_\_ payable to the organization at address below:

**The Peace Development Fund**

**Attn: Lora Wondolowski, Advancement and Communications**

**PO Box 1280**

**Amherst, MA 01004-1280**

CRC's Federal Tax Identification number is 04-2738794.

In order to qualify for 2022 treatment, it is essential that this distribution be received by Peace Development Fund no later than December 31, 2022.

In your transmittal to The Peace Development Fund, please give my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal.

If you have any questions or need to contact me, I can be reached at *(telephone)* and *(email address)*. You can also reach Lora Wondolowski at PDF by telephone at 413-256-8306 or by e-mail at lora@peacefund.org

Thank you for your prompt assistance in this matter.

Sincerely,

*(Plan Owner)*

*(home address)*

**Sample 2022 letter from Donor to The Peace Development Fund**

*informing PDF of forthcoming qualified charitable distribution from IRA administrator*

Lora Wondolowski, Advancement and Communications  
Peace Development Fund  
PO Box 1280  
Amherst, MA 01004-1280

Dear Lora,

It is my pleasure to inform PDF that I have requested a qualified charitable distribution from my Individual Retirement Account at *(name of bank/brokerage firm)* payable to The Peace Development Fund in the amount of \$\_\_\_\_\_ from my plan trustee/administrator, *(name of trustee/administrator)*. A copy of that written request is enclosed.

It is my intent to comply with the requirements of *The Trade Facilitation and Trade Enforcement Act of 2015* and Section 408(d)(8) of the Internal Revenue Code of 1986 as amended, in connection with this gift.

Accordingly, upon your receipt of payment, please send me an acknowledgment letter that states the amount of my gift and that no goods or services were transferred to me by PDF in consideration for this gift.

If you have any questions or need to contact me, I can be reached at *(telephone)*. You can also reach *(name of trustee/administrator)* at *(telephone)*.

Sincerely,

*(Donor)*

*(home address)*