



IRA Charitable Rollover

The **IRA Charitable Rollover** is a great way to combine charitable giving with financial planning – and, for most people, it will maximize federal and state income tax savings. Transfer a gift directly from your traditional IRA account to Clark – your gift will count towards your annual Required Minimum Distribution (RMD) and your withdrawal will be tax-free.

What are the rules?

- **You must be at least 70 ½ years of age** on the date of your gift.
- **You can make outright gifts of up to \$100,000 total in a calendar year** to qualified charities like Clark from all your IRA accounts. (You cannot use the IRA Charitable Rollover to make transfers to donor advised funds, charitable trusts, charitable gift annuities or family foundations.) If your spouse has one or more IRAs, s/he may also transfer up to \$100,000 in a calendar year.
- **The IRA Charitable Rollover only applies for gifts from an IRA** and not from any other type of retirement plan such as a 401(k), 403(b), SEP, or traditional pension. You may be able to move money from one of these accounts into a traditional IRA in order to use the IRA Charitable Rollover. Don't make a gift directly from your Roth IRA – withdrawals from Roth accounts are already tax-free and using the IRA Charitable Rollover will take away your ability to claim a charitable deduction.
- **Because your IRA withdrawal won't be included in your taxable income, you can't claim a federal charitable deduction for your gift** (see more below about how this may save you on taxes). States vary in their rules for reporting the IRA charitable rollover on state income taxes, so please check with your advisors.
- **What if I've already taken my RMD for the year?** You can still utilize the IRA Charitable Rollover but your 2018 RMD withdrawal will be fully taxable. Plan now to make next year's charitable gifts from your IRA to take full advantage of having some or all of your RMD be tax-free withdrawals directed to Clark and other charities.

How do I make my gift to Clark via the IRA Charitable Rollover?

- **Your IRA Charitable Rollover must be transferred directly by your IRA plan administrator to Clark.** You have two options:
 1. Contact your plan administrator and request that they send a check made out to Clark University to:

Office of Planned Giving
Clark University
950 Main Street
Worcester, MA 01610

2. Ask your plan administrator to make out a check to Clark University and send it to you. Forward the check to the address above.

IRA account administrators vary greatly in how easy they make this process; some have simple on-line request forms and others require a phone call or letter. You can also contact Clark's Planned Giving Office for a sample letter that you can use to request your Charitable Rollover.

- **It's always best to let us know your IRA Charitable Rollover gift is coming.** Please send us an email at plannedgiving@clarku.edu or call **508-793-7593** and tell us: your name, the name of your plan administrator, the amount of your gift, and if you would like us to use your gift for The Clark Fund or for another purpose.

How can using the IRA Charitable Rollover lower my taxes?

- **The IRA Charitable Rollover lowers your Adjusted Gross Income (AGI)** by removing any withdrawals sent straight to charity from the income you report on your federal taxes. A lower AGI may reduce the taxes you pay in several ways:
 - If you normally take the standard deduction, you now also effectively get a charitable deduction. If you normally itemize deductions - but the total of all your non-charitable deductions is less than the standard deduction – you can switch to taking the higher standard deduction while still effectively getting a deduction for your charitable gifts
 - If you are subject to AGI-based limits on your charitable or other deductions and/or “high income” tax penalties such as the Affordable Care Act’s 3.8% Net Investment Income Tax or 0.9% Medicare tax, you may be able to lessen the impacts of these provisions
 - You may also be able to reduce taxes on Social Security payments, lower your Medicare premiums and/or claim higher deductions for medical and miscellaneous expenses
 - If your state limits or does not allow charitable deductions, you may be able to lower your state income taxes
- **Not everyone will save more on taxes as a result of using the IRA Charitable Rollover** (as opposed to making a gift and taking a charitable income tax deduction) - but you're unlikely to save less. Please consult your tax advisors as to your own situation.

**Questions? Please contact Mary Richardson, Director of Planned Giving
at 508-793-7593 or marichardson@clarku.edu**