

## THE IRA CHARITABLE ROLLOVER: A SMART GIFT FOR MAXIMIZING YOUR TAX SAVINGS

The **IRA Charitable Rollover** (also known as the IRA Qualified Charitable Distribution) is a great way to combine charitable giving with financial planning. For most people, it will maximize federal and state income tax savings – and it doesn't require you to itemize your deductions in order to get a break for your charitable gifts. Transfer your 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** as of the date of your gift. (Note that you're not required to take a minimum distribution from your IRA before age 72.)
- **Your gift must be transferred directly** from your IRA administrator to Clark – for more on the process, see the instructions on the reverse of this sheet.
- **You can make outright gifts of up to a total of \$100,000 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 directly to charities in a calendar year.
- **The IRA Charitable Rollover only applies for gifts from an IRA** and not from any other type of tax-deferred 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.
- **Because your IRA withdrawal won't be included in your taxable income, you cannot claim a federal charitable deduction for your gift.** States vary in their rules for reporting the IRA Charitable Rollover on state income tax forms, so please check with your financial planner or tax professional for guidance.
- **Don't make a gift directly from your Roth IRA** – withdrawals from Roth IRA accounts are already tax-free and using the IRA Charitable Rollover will take away your ability to claim a charitable tax deduction for a gift made directly from a Roth account.
- **What if I've already taken my RMD for the year?** You can still utilize the IRA Charitable Rollover but your 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 required withdrawal be tax-free gifts to Clark and other charities you support.

## 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 effectively also 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 Net Investment Income Tax or the Additional 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 also 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.

## 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 to request they send your gift straight to Clark:

***By check made out to  
"Clark University" mailed to:***

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

***By wire transfer payable to "Clark  
University"***

TD Bank Massachusetts  
370 Main St., Worcester, MA 01608  
Swift Code: NRTHUS33XXX  
ABA Number: 211-370545  
Account Number: 824 194 1463

**Please let us know when your IRA administrator is sending an IRA Charitable Rollover gift** so we can be sure to match you to your gift when it arrives (they are not always clearly labeled). Send us an email or give us a call 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.

- 2) Ask you plan administrator to make out a check to "Clark University" and send it to you. Forward the check to the Planned Giving office, including a note on how we should use your gift.

**For questions or assistance, contact Clark's Office of Planned Giving at  
(877) 252-7510 or by email at [plannedgiving@clarku.edu](mailto:plannedgiving@clarku.edu).**