

Tax-Free Charitable IRA Transfer

The opportunity of a lifetime to give the gift of a lifetime



Transfer up to \$100,000 from your IRA to charity tax-free. Take advantage of this opportunity to give more to charity and pay less in taxes.

HOW IT WORKS

- You make a gift of up to \$100,000 by transferring IRA assets to the Kalamazoo Community Foundation. You must be at least 70 1/2 years old.* If married, each spouse can transfer up to \$100,000 from their IRA.
- Your gift can create a charitable fund in your name, the name of your family, or in honor of any person or organization you choose. We'll handle the administrative details.
- Your gift will be placed into an endowment that is invested and will grow over time. Grants addressing community needs will be made forever.

TAX-FREE TRANSFERS

IRA transfers to these types of funds may be made tax-free.

Unrestricted Fund When you use your tax-free IRA transfer to establish an Unrestricted Fund or give to an existing one — like our Love Where You Live Fund — your gift will be used to address a broad range of current and future community needs.

Field-of-Interest Fund When you use your tax-free IRA transfer to establish a Field-of-Interest Fund or give to an existing one, you focus your giving on the issue or cause you care about most.

Designated Fund You may use your tax-free IRA transfer to establish or give to an existing Designated Fund, which are created for the benefit of nonprofit organizations, or educational or religious institutions.

Scholarship Fund You may use your tax-free IRA transfer to establish or give to an existing Scholarship Fund. Scholarship Funds can support undergraduate and/or graduate education, professional development and other educational opportunities. An excellent option for giving to an existing fund is the Community Foundation's Partners in Education Scholarship Fund.

TAXED TRANSFER

Advised Funds IRA transfers to Advised Funds are permitted. However, they are not tax free.

Our Team

Our Donor Relations team is here to help you give.

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Why would you want to give IRA assets to the Kalamazoo Community Foundation?

After decades of deliberate saving, you may have more money in your IRA than you need for daily living expenses and long-term care. For larger estates, a good portion of the IRA wealth goes to estate taxes and income taxes of non-spousal beneficiaries. Heirs may receive less than 50 percent of IRA assets passed on to them through estates. Instead, IRA holders may choose to leave their IRA to qualified charitable organizations — choosing charity over taxes.

Who stands to benefit most from giving their IRA to charity?

Because charitable IRA transfers are not included in taxable income and not available for itemized charitable deductions, these special rules may benefit different types of people. We encourage you to consult with your professional advisor as you consider these options. Our Donor Relations team is pleased to work with you and your advisor throughout the process.

Major gift donors When making a major gift, some taxpayers may give more to charity than they can deduct that year. Donors cannot deduct more than 60 percent of their income for gifts of cash to public charities (30 percent if giving to private foundations). Although amounts over 60 percent can be carried forward and deducted in future years, taxpayers will face an immediate tax bill and may lose some of the benefit of the deduction if they die before the gift has been fully deducted. Donors who consistently give above the limit will not be able to take advantage of the carry forward provisions.

Non-itemizers Donors who regularly give a portion of their income to charity are not able to enjoy a tax break from the contribution because the standard deduction is still greater than the total of all itemized deductions. This may be especially true if state and local income taxes are low.

Financially comfortable donors Individuals or couples who distribute the minimum from their IRA — and have other forms of income to pay living expenses — may find that transferring their minimum distributions to the Community Foundation helps fulfill personal charitable goals, tax-free.

What are the other benefits?

We can make your charitable IRA transfer easy, flexible and effective, helping you achieve your personal charitable and financial goals. We are happy to answer your questions and complete all the required paperwork. Or if you prefer, we can consult with your financial advisor or estate planner to recommend a solution that's right for you.

You can transfer IRA assets up to \$100,000, directly and easily to the Community Foundation. The transaction incurs no federal income tax, and the asset is no longer part of your estate for tax purposes. Transferring IRA assets may enable you to make a larger gift during your lifetime than you ever thought possible, as well as provide you with an opportunity to experience how your gift makes an impact on our community.