

Why Consider This Gift?

Your gift will be put to use today, allowing you to see the difference your donation is making. You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.

You can use your gift to satisfy all or part of your required minimum distribution starting at the age of 72. Since the gift doesn't count as income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax.

You can give any amount up to \$100,000 per year from your IRA directly to a qualified charity such as ours without having to pay income taxes on the money. This popular gift option is commonly called the IRA charitable rollover, but you may also see it referred to as a qualified charitable distribution or QCD for short.

For Frequently Asked Questions go to: <https://rotary.planmygift.org/ira-charitable-rollover>



Qualified Charitable Deductions (QCDs)

- QCDs avoid tax on the RMD
- QCDs are limited to \$100,000 per spouse per year
- QCDs **must** be made directly by your IRA custodian to the charity in order to avoid the tax
- QCDs can be sent to as many charities as desired up to the total of \$100K per year. The Rotary Foundation can be one of those charities

72+ Goal

- Dramatically increase D7390 contributions to The Rotary Foundation
- Encourage all age 72 and older (72+) Rotarians in D-7390 to allocate \$1,000 or any amount as a QCD from their RMD and generate \$600,000 for The Rotary Foundation
- Added to normal annual district giving, approach \$1 million per year to The Rotary Foundation from D-7390
- Dramatically increase Paul Harris Society members at \$1,000/year and increase and grow Major Donors faster

Questions?

Contact PDG Kevin Cogan at kcogan71@gmail.com or 717-609-7770.



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A Tax Efficient Way for
Senior Rotarians
to Give to
The Rotary Foundation

Save on Taxes, Make a Qualified Charitable Distribution, and Benefit The Rotary Foundation



THE PROTECTING AMERICANS FROM TAX HIKES (PATH) ACT

The PATH Act revised by Congress allows you to avoid income tax on an IRA withdrawal if you make a qualified charitable distribution (QCD). Retirees must make a required minimum distribution (RMD) from traditional IRAs each year starting at age 72 and pay income tax on each withdrawal. IRA owners beginning at age 70 1/2 can transfer up to \$100,000 to an eligible charity without paying income tax on the transaction, and the donation also satisfies any RMD after age 72. Couples who file a joint tax return can avoid paying income tax on up to \$200,000 in IRA charitable donations. But you don't need to make a large donation to qualify for the tax break. Even donating \$100 directly from your IRA to a charity would save you \$24 in taxes if you are in the 24% tax bracket.

Source: <https://money.usnews.com/money/retirement/slideshows/how-to-reduce-your-tax-bill-by-saving-for-retirement?slide=12>

The Facts

Rotary District 7390 has more than **600 members over the age of 70.**

The SECURE Act became law on Dec. 20, 2019. The SECURE Act pushes back the age at which retirement plan participants are required to take RMDs from 70½ to 72. RMDs are computed based on your balance and age by your retirement plan provider. RMDs are taxable at the marginal tax rate, usually 24 to 33%. But RMD withdrawals sent directly to a charity via a QCD avoid the tax as provided by law.

The Vision

If every 72+ Rotarian in D-7390 gave \$100 this way, about \$15,000 in taxes would be saved. And if each gave \$1000 or more every year, not only would over \$150,000 in taxes be saved, but D-7390 would have 600 new **Paul Harris Society** members and be on a path to send almost **\$1 million dollars** every year to The Rotary Foundation. This shows that Rotary Seniors are a powerful force to do good in the world. Please consult your tax advisor and consider using the downloadable form link in the next column to notify your bank or broker. THANK YOU!

How to Begin the Gift Process

Helping Rotary Do Good in the World through a Qualified Charitable Distribution (QCD) from your Individual Retirement Account is easy. Simply download two forms at this website to make a transfer directly from your IRA.

<https://rotary.planmygift.org/documents/r/rotary-international-foundation/pdf-ira-rollover-form.pdf>

The first letter: **“From Plan Owner to IRA Administrator”** Please complete the underlined portions of the letter and send it to your IRA Plan Administrator to initiate the transfer.

The second letter: **“From Donor to The Rotary Foundation”** Upon initiating the transfer with your administrator, please complete the underlined portions of the letter and email your notification to Amanda Lawson at amanda.lawson@rotary.org



For further assistance please contact Amanda Lawson at 1-847-866-3239 or amanda.lawson@rotary.org