

IRA Frequently Asked Questions

Q. I'm turning 70½ in a few months. Can I make this gift now?

A. No. The legislation requires you to reach age 70½ by the date you make the gift.

Q. I have several retirement accounts—some are pensions and some are IRAs. Does it matter which retirement account I use?

A. Yes. Direct gifts to a qualified charity can be made only from an IRA. Under certain circumstances, however, you may be able to roll assets from a pension, profit sharing, 401(k) or 403(b) plan into an IRA and then make the transfer from the IRA directly to the Diocese of Joliet. To determine if a rollover to an IRA is available for your plan, speak with your plan administrator.

Q. Can my gift be used as my required minimum distribution?

A. Yes, absolutely. Beginning in the year you turn 72, you can use your gift to satisfy all or part of your RMD.

Q. Do I need to give my entire IRA to be eligible for the tax benefits?

A. No. You can give any amount under this provision, as long as it is no more than \$100,000 per year. If your IRA is valued at more than \$100,000, you can transfer a portion of it to fund a charitable gift.

Q. When do I need to make my gift?

A. We must receive your gift by Dec. 31 for your donation to qualify this year. If you have check-writing features on your IRA, please be aware that your check must clear your account by Dec. 31 to count toward your required minimum distribution for the calendar year.

Q. I have two charities I want to support. Can I give \$100,000 from my IRA to each?

A. No. Under the law, you can give a maximum of \$100,000 per year. For example, you can give each organization \$50,000 this year or any other combination that totals \$100,000 or less. Any amount of more than \$100,000 in one year must be reported as taxable income.

Q. My spouse and I would like to give more than \$100,000. How can we do that?

A. If you have a spouse (as defined by the IRS) who is 70½ or older, they can also give any amount up to \$100,000 from their IRA.

Q. Can I use the transfer to fund life-income gifts like charitable remainder trusts or charitable gift annuities?

A. Unfortunately, the law does not permit using a qualified charitable distribution to establish a charitable gift annuity or a charitable remainder trust. However, you can designate some or all of your retirement plan assets to fund a charitable gift annuity or charitable remainder trust after your lifetime. A charitable trust or gift annuity provides lifetime income to your family or other loved ones. When the gift arrangement ends, the balance will support the Diocese.

Q. I've already named the Diocese of Joliet as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?

A. By making a gift this year of any amount up to \$100,000 from your IRA, you can see your philanthropic dollars at work. You are jump-starting the legacy you would like to leave and giving yourself the joy of watching your philanthropy take shape. Moreover, you can fulfill any outstanding pledge you may have made by transferring that amount from your IRA as long as it is \$100,000 or less for the year.