

Use Your Retirement Assets to Make a Gift to the Church

On October 3, 2008 President Bush signed the Emergency Economic Stabilization Act of 2008, which includes an extension of the IRA Charitable Rollover, allowing taxpayers to make current outright gifts of retirement assets. The new law provides that through the years 2008 and 2009, an owner of a Traditional or Roth IRA, who is age 70 ½ or older, may instruct the Plan Administrator to distribute directly to a public charity, such as the United Church of Christ, up to \$100,000 without the distribution being included in taxable income, and that the distribution will count toward the IRA owner's mandatory withdrawal amount. The primary benefits of the direct IRA Rollover to a qualified charity (such as local congregations, conferences, national ministries, and related institutions of the UCC) are that:

- *While the donor does not receive a charitable deduction, neither is the transfer to charity treated as an income distribution to the donor; thus the donor enjoys the **equivalent** of a charitable deduction by avoiding the tax that would ordinarily have been due on an IRA income distribution, a benefit to itemizers and non-itemizers alike.*

- *The gift will not be subject to deduction limitations or phase-outs for donors in higher income brackets or who have otherwise exceeded their charitable deductions for the year.*

The IRA Rollover legislation is limited to direct outright gifts to charities and cannot be used to fund life interest gifts such as charitable gift annuities, pooled income funds or charitable remainder trusts.

Distributions to donor advised funds and supporting organizations are not eligible. Employer-sponsored plans, such as a Simple IRA, 401(k), or 403(b), are not qualified distribution sources. Also note that IRA rollovers may be includable in a donor's income for state and local tax purposes and may not earn an offsetting charitable deduction, depending on state and local law. Consult your attorney, accountant, or financial advisor.

For questions or information about how you might make a gift to your local church, the national church or other setting of the United Church of Christ, please contact the:

Financial Development Ministry Team
United Church of Christ
700 Prospect Ave E; Cleveland, OH 44115

The toll-free phone number is

(800) 846-6822

email address is

giving@ucc.org

**UNITED CHURCH
OF CHRIST**



This information is provided by the Stewardship and Church Finances and Financial Development Ministry Teams of the United Church of Christ.