

## **Age 70 ½ IRA Charitable Distributions are Back in 2011**

Thanks to the December 17th Tax Legislation

You can support your favorite charity once again with the reinstatement of the **IRA Charitable Distributions**. For IRA owners age 70 ½ or older who do not need the taxable income from their Required Minimum Distributions (RMD) they can make a donation directly to their charity. This will avoid paying taxes on the RMD that could put you into a higher tax bracket or even the AMT (Alternative Minimum Tax). You can now support your charity from your IRA accounts that you hadn't planned on using until the new Tax Bill was passed.

### **Summary:**

1. You must be at least age 70 ½ when the IRA distribution is made.
2. Maximum distribution is \$100,000 and will satisfy the age 70 ½ RMD for 2011 up to \$100,000.
3. Married couples ages 70 ½ or older may each make the maximum distribution of \$100,000 on each of their IRAs.
4. The tax savings is realized by not having the taxable RMD included in your Adjusted Growth Income. (There is no tax deduction for the distribution)
5. Only for IRA not 403(b) or 401(k) and must be a direct transfer from IRA custodian to charity.

*As always check with your professional advisors before taking action.*