



LEAVE A LEGACY

CONGREGATION B'NAI ISRAEL

Charitable Options for Your IRA

There are many ways to support the Temple in your estate plans and one of the easiest is to make Congregation B'nai Israel the beneficiary of your IRA. If you're not ready to make that commitment, your IRA can still be an instrument for charitable giving that may benefit you as well.

If you are at least 70½, you must take required minimum distributions (RMDs) from your IRA and/or your 401(k) annually. These distributions are generally fully taxable at ordinary-income tax rates.

You may need this income for living expenses. If you do not, you may avoid paying tax on income you are required to take but don't necessarily need at the present time. You can reduce or even eliminate federal income taxes on your RMD by donating these funds to the Temple or another charity.

In 2015, the IRA charitable rollover was permanently enacted into law. The rollover allows individuals aged 70½ (the same age at which you must start taking RMDs) to directly transfer up to \$100,000 in cash from their IRAs to an IRS qualified charity without having these transfers included in their gross income.

The funds must be transferred directly from the company that administers your investment fund to the charity without coming into your possession. This is the only way to avoid the amount of the donation being included in your taxable income. Qualified IRA transfers are not subject to regular charitable contribution limits.

Transfers to charity are not subject to federal income tax and they also qualify as your required minimum distribution for that year. You should always consult your financial advisor to see whether charitable options are appropriate for you.

