

# IRA Charitable Rollover

...a gift that could reduce your Adjusted Gross Income.

Gift Planning  
at Washington State University

509-335-7883 or 800-448-2978  
gproffice@wsu.edu  
foundation.wsu.edu/giftplanning

## WHAT IS AN IRA CHARITABLE ROLLOVER

Individuals may begin taking distributions from their Individual Retirement Accounts (IRAs) as early as age 59½, but are required to begin taking them at age 70½. Normally, these distributions are subject to income taxes. The IRA Charitable Rollover provision, made permanent by Congress in 2015, allows individuals who have reached age 70½ to donate up to \$100,000 (\$200,000 per couple) per calendar year to the WSU Foundation. Qualified Charitable Distributions are not considered taxable income when made directly from an IRA to the WSU Foundation or other qualified charity. Distributions can also satisfy all or part of your Required Minimum Distribution (RMD), while also lowering your Adjusted Gross Income (AGI). Your AGI on your tax return impacts a number of items in the calculation of your final income tax.

## THROUGH AN IRA CHARITABLE ROLLOVER, A QUALIFIED CHARITABLE DISTRIBUTION MAY...

- Benefit you if you typically use the “Standard Deduction” because you do not itemize and therefore do not claim a charitable tax deduction when you give to charities
- Reduce your Adjusted Gross Income (AGI) benefiting
  - The level of taxability of your Social Security benefits
  - The cost of your Medicare Part B and prescription drug premiums
  - Phasing out of certain itemized deductions and personal exemptions
  - Whether or not you are subject to the 3.8% additional tax on Net Investment Income

## HOW THEY WORK

- You are 70½ or older when you make the gift
- Your plan administrator directly transfers the funds from your IRA to the WSU Foundation
- Your total IRA gift(s) do not exceed \$100,000 in a calendar year (Note: spouses with separate plans may distribute up to \$100,000 from their own respective plans for a total of up to \$200,000 per couple, per year)
- The rollover must constitute an outright gift—distributions cannot fund Charitable Gift Annuities, Charitable Remainder Trusts, Donor Advised Funds, etc. or be transferred after death
- Your gift comes from a qualified IRA—accounts that do not qualify include 401(k), 403(b), defined benefit & contribution plans, profit sharing plans, Keoghs and employer sponsored SEPs and SIMPLE plans (Note: you can rollover from an ineligible plan to a qualified IRA, if all other rules for rollovers are followed, and then give to the WSU Foundation from the qualified IRA)

## HOW TO TRANSFER FUNDS

To initiate the gift, funds can be sent directly to the Washington State University Foundation as a check or an ACH/wire transfer. Please contact our office for ACH or wire transfers. For transfers by check, please make payable to the WSU Foundation and send to:

Mike Connell  
Gift Planning, WSU Foundation  
PO Box 641925  
Pullman, WA 99164-1925

Contact us to alert us of the gift and confirm the gift use instructions.

*“The Charitable IRA Rollover is a great way for Jeanne and me to support WSU because it minimizes our adjusted gross income and satisfies our required minimum distributions. As an estate planning attorney, I recommend it for many of my clients.”*

—Dave (’65 Liberal Arts) and Jeanne McGoldrick, Legacy Associates



WASHINGTON STATE  
UNIVERSITY  
FOUNDATION

## FREQUENTLY ASKED QUESTIONS

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***Q. I've already named WSU Foundation 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 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 already made by transferring that amount from your IRA under this legislation as long as it is \$100,000 or less for the year.

***Q. I'm turning age 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 rollovers to a qualified charity can only be made 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 WSU Foundation. 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 minimum required distribution under the law?***

A. Yes, absolutely. If you have not yet taken your required minimum distribution, the IRA charitable rollover gift can satisfy all or part of that requirement. Contact your IRA custodian to complete the gift.

***Q. Is my IRA Rollover gift tax-deductible?***

A. No. Gifts from qualified IRAs do not receive a federal income tax charitable deduction because you are not being taxed on the withdrawal.

***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. 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 who is 70½ or older and has an IRA, he or she can also give up to \$100,000 from his or her IRA.

***Q. Can an IRA rollover gift be used to maintain or improve my standing in the Cougar Athletic Fund?***

A. No. While an IRA charitable rollover gift can be made to Athletics, the IRS does not permit the donor to receive any Cougar Athletic priority points or other privileges in exchange for the gift. Otherwise, the gift will not be a qualified IRA charitable rollover.

For more information about the IRA Charitable Rollover provision and how it may benefit you, please contact the WSU Foundation's Gift Planning team at 509-335-7883 or [gpooffice@wsu.edu](mailto:gpooffice@wsu.edu).

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This information is not intended to be interpreted or relied upon as legal, tax, or financial advice. The WSU Foundation does not engage in the marketing of services pertaining to individualized advice about estate distribution documents. Before entering into a planned gift with any charity, the donor should seek professional legal, tax, and financial advice. This information cannot be relied upon as professional advice adequate in scope and content to avoid the imposition of penalties under the Internal Revenue Code. Overall information about the WSU Foundation and its management policies for all types of gifts can be found at [foundation.wsu.edu/about](http://foundation.wsu.edu/about).