

A New Tax Benefit to Charitable Donors Over the Age of 70 ½



“I’m always happy when I can help Hospice and it’s nice this new law offers me a tax benefit as well.”

~ Ardene Janssen, Hospice donor



A new tax benefit has just been signed into law (January 2016) for charitable donors over the age of 70 ½ who own an IRA (Individual Retirement Account) with Required Minimum Distributions.

Key tax benefits of a direct charitable donation from your IRA include:

- Your donation counts toward meeting your required minimum donation obligation
- Because your donation is not a distribution to you, but rather to your favorite charity, it does not count toward your income. This can lower your Adjusted Gross Income, the basis for many tax calculations.
- While charitable donations have previously been available only to donors who itemize deductions, now donors who contribute from their IRA can deduct this gift to charity.

Basic Requirements

- Your donation must come from your IRA and you must be required to take a minimum distribution (i.e. over the age of 70 ½).
- Your charitable donation cannot go to a donor-advised fund, supporting organization or private foundation.
- You cannot make your charitable IRA distribu-

tion from Simplified Employee Plans (SEPs) and Savings Incentive Plans for Employees (SIMPLE Plans) if an employer contribution is made that year.

- Your gift cannot exceed more than \$100,000 in one calendar year.

For more information on making charitable donations to Hospice of Humboldt, please call Joe Rogers, Executive Director at (707) 445-8443.

This information is not intended as long term financial planning or tax advice. Please consult your financial planner to discuss how this new law might benefit you. In general, a donation of substantially appreciated long-term capital gains property would yield greater tax benefits, so please explore the greatest benefit to you with your advisor.

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