

New Law Permits Gifts to Charities From IRAs

By Jack Miller, Director of Gift Planning, Pittsburgh History & Landmarks Foundation

The Pension Protection Act of 2006 enacted on August 17, 2006 includes a limited-time provision that permits federal tax-neutral contributions from Individual Retirement Accounts to qualified charities, sometimes referred to as "Charitable IRA Rollovers."

Here's how *The Pension Protection Act of 2006* may provide you with an unprecedented opportunity to help qualified charities between now and December 31, 2007: 1) In 2006 and 2007, individuals 70 1/2 and older may cumulatively transfer up to \$100,000 directly from an IRA to qualified charities; 2) The charitable distribution counts toward minimum distribution requirements; 3) Charitable distributions may be made in addition to any other charitable giving you may have planned; and 4) Because the distribution generates neither taxable income nor a tax deduction, even non-itemizers can benefit.

Please note that distributions must be made to qualified charities via direct transfer but may not be directed to donor advised funds, charitable remainder trusts, gift annuities or similar planned gifts. State tax treatment varies from state to state. You should seek the advice of tax and/or legal counsel to best determine how this new federal legislation impacts you or your charitable organization.

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About the Author



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Jack Miller has coordinated capital campaigns, special events and estate planning seminars. He has written and produced two planned giving videos and helped individuals contribute millions of dollars to charity.

Miller, is a certified fund-raising executive, member of the National Committee on Planned Giving and president-elect of the Pittsburgh Planned Giving Council (PPGC).

In 2000, the Association of Fundraising Professionals (APF), Western Pennsylvania Chapter, named him its Outstanding Fund-Raising Executive. In 1992, he helped to organize a statewide development issues task force that was instrumental in passing Act 1996-127 that established parameters for Pennsylvania charities to issue gifts.

Some of the more interesting gifts he has closed during his career include an outright gift of a personal residence with a retained life-interest and the first funeral home in Pennsylvania to fund a charitable remainder annuity trust. In 1998, his planned giving program at United Way of Allegheny County received United Way of America's Lasting Legacy Award, symbolic of the best planned giving program in the United States.