

Make a difference (and avoid taxable income) with an IRA charitable rollover to United Way!

Why not give back to your community with an IRA charitable rollover? You can feel good about improving lives and creating positive change while avoiding tax on the transferred assets. It's a win-win!

How does it work? Many American taxpayers have an IRA (individual Retirement Account). At age 70 ½ and older, an IRA account holder must take a required minimum distribution. If this distribution is donated to a child or non-spouse beneficiary, then it is considered taxable income and can be taxed at a rate of 60% (combination of estate and income tax). However, if an IRA account holder decides to gift his or her distribution directly to the United Way or another eligible charity, then **it is not considered taxable income**.

The difference in treatment is striking; an IRA gift of \$100,000 to a child or non-spouse beneficiary would only net \$40,200 to that beneficiary. An IRA gift of \$100,000 to United Way nets the full amount of \$100,000.*

How is an IRA charitable rollover handled?

1. Contact your IRA plan administrator to make a gift directly from your IRA to United Way of Henderson County. Return to the previous page to find a letter of instruction that you can send to your plan administrator.
2. It is important that the funds are **transferred directly** to United Way. They cannot be sent to you first or they will be subject to tax.
3. Please note that IRA charitable rollover gifts do not qualify for a charitable deduction, but you pay no income tax on the distribution.
4. Please contact us if you wish for your gift to be used for a specific purpose.

As always, we encourage you to talk to your financial advisor about the planned giving strategies that work best for your situation. Thank you for making a difference in the lives of 30,000 vulnerable people in our community every year. Together, we can inspire hope and create opportunities for a better tomorrow!

**Assumes estate tax rate of 40% applies and non-spouse beneficiary is taxed at income tax rate of 33%*