IRA Charitable Rollover

The IRA Charitable Rollover provides you with an excellent opportunity to make a gift during your lifetime from an asset that would be subject to multiple levels of taxation if it remained in your taxable estate.

To qualify:

- You must be age 70 ½ or older at the time of gift.
- Transfers must be made directly from a traditional IRA account by your IRA administrator to ADI Funds that are withdrawn by you and then contributed do NOT qualify. Gifts from 401k, 403b, SEP and other plans do not qualify.
- Gifts must be outright. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities do not qualify.

Benefits—qualified charitable distributions:

- Can total up to $100,000.
- Are not included in your gross income for federal income tax purposes on your IRS Form 1040 (no charitable deduction is available, however).
- Count towards your required minimum distribution for the year from your IRA.

Example

Jane wants to make a contribution to ADI. She is 72 and is required to take a minimum distribution of $20,000 from her IRA but does not need the income. She can authorize the administrator of her IRA to transfer $20,000 to ADI. The $20,000 distributed to ADI will not be subject to federal tax and will be counted toward her annual minimum required distribution.

As you plan your required minimum distributions for this year, if you do not need the money the government is requiring you to take, consider using it for a charitable gift using the IRA Charitable Rollover.

See below for sample letters you can send to your plan provider to initiate a rollover. Make sure that you contact us when you direct the rollover so we can look for the check from your IRA administrator.

Sample Letter of Instruction from Donor to IRA Provider

{Date}
{Name of IRA Provider}
{Address}
{City, State, Zip}
(Call your plan provider to determine the most efficient way to send this letter of instruction)

Re: Request for Qualified Charitable Distribution from Individual Retirement Account

Dear Sir or Madam:
Please accept this letter as my request to make a qualified charitable contribution from my Individual Retirement under Sec. 1201 of the Pension Protection Act of 2006 (the PPA) and Sec. 408(d)(8) of the Internal Revenue Code of 1986, and made permanent under the Consolidated Appropriations Act of 2016. My account Number is {Account Number}.

Please issue a check in the amount of $_____ payable to ADI Israel Foundation at the following address:

1416 E 7TH ST
BROOKLYN, NY 11230-5711

In your transmittal to ADI, please state my name and address as the donor of record in connection with this transfer, and copy me on your transmittal. It is my intention to have this transfer qualify during the {Year} tax year. Therefore, it is imperative that this distribution be postmarked no later than December 31, {Year}.

If you have any questions or concerns regarding this request, I can be reached at {Phone Number} or {Email Address}.

Thank you for your prompt attention to and assistance with this matter.

Sincerely,
{SIGNATURE OF IRA OWNER}

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