

LEAVE A LEGACY

## Charitable Gifting of IRA Assets





## Leave a legacy: Your gift makes a difference.

The generous donations of people just like you support the St. Lorenz Foundation and the many life-changing and faith-affirming programs of St. Lorenz Lutheran Church and School. When you make a gift of your IRA assets to the St. Lorenz Foundation, you help us continue the ministry that is the spiritual heart of this community. You may benefit financially as well.

The IRS requires you to take a minimum distribution from your IRA each year if you are age 70½ or older – regardless of whether you need the money. These annual withdrawals are subject to income tax. However, if you are not dependent on these funds to care for yourself or your family, you can use them to make a tax-free contribution to the future of St. Lorenz Lutheran Church and School. And you can do it every year!

If you are age 70½ or older, you can now donate any amount you wish – from \$1 up to a maximum of \$100,000 – to charity each year, ***tax-free*** ... as long as the donation is distributed directly to the charity from your IRA.

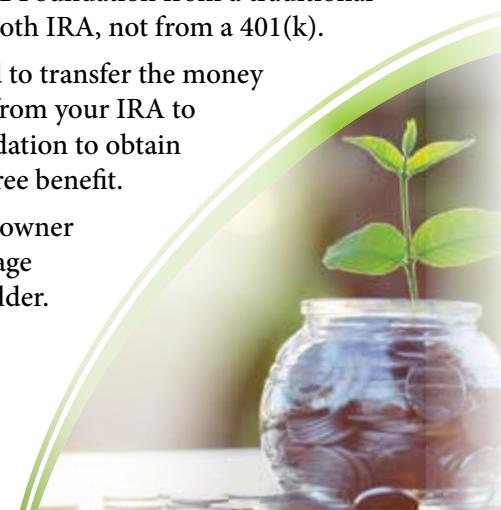
### Tax benefits of gifting IRA assets

Financially, making a tax-free transfer from your IRA may be more beneficial to you than simply giving a cash gift and taking a charitable deduction:

- Charitable deductions are limited by your income. By directing your IRA distribution to the St. Lorenz Foundation, you can avoid this restriction.
- When gifting IRA assets, you don't need to itemize deductions on your tax return – something that many taxpayers who no longer have a mortgage do not do – to receive the tax-free benefit.
- Transferring all or part of your required minimum IRA distribution to charity keeps the money from raising your adjusted gross income (AGI), which could negatively impact the taxation of your Social Security and whether you are subject to a high-income surcharge on your Medicare Part B and Part D premiums.

### Limitations

- You can only make a tax-free transfer to the St. Lorenz Foundation from a traditional IRA or Roth IRA, not from a 401(k).
- You need to transfer the money directly from your IRA to the foundation to obtain the tax-free benefit.
- The IRA owner must be age 70½ or older.



### Want to know how much your required minimum distribution will be?

Use this worksheet to figure this year's required withdrawal for your traditional IRA.\*

- Your IRA's balance on December 31 of the previous year.  
\$ \_\_\_\_\_
- Divide by the distribution factor from the table below for your age on your birthday this year.  
÷ \_\_\_\_\_
- This is your required minimum distribution for this year from this IRA.  
= \$ \_\_\_\_\_

AGE	DISTRIBUTION FACTOR	AGE	DISTRIBUTION FACTOR	AGE	DISTRIBUTION FACTOR
70	27.4	80	18.7	90	11.4
71	26.5	81	17.9	91	10.8
72	25.6	82	17.1	92	10.2
73	24.7	83	16.3	93	9.6
74	23.8	84	15.5	94	9.1
75	22.9	85	14.8	95	8.6
76	22.0	86	14.1	96	8.1
77	21.2	87	13.4	97	7.6
78	20.3	88	12.7	98	7.1
79	19.5	89	12.0	99	6.7

\*Unless your spouse is the sole beneficiary of your IRA and he or she is more than 10 years younger than you. In this case, different rules apply. Consult your tax professional or the IRS for details.

## A good example

Whether he wants to or not, Mr. Miller, age 74, must take a minimum distribution from his IRA every year, which raises his taxable income. He really doesn't need that money to meet his current living expenses. And he doesn't like the idea of paying income tax on his hard-earned savings. By making a direct contribution to the St. Lorenz Foundation from his IRA, he satisfies his minimum distribution requirement without raising his taxable income. Plus, he is able to give back to the church and school that have been the source of so much love, encouragement and acceptance throughout his family's life.

### Other ways to give

- A gift of life insurance
- A gift of appreciated stocks
- A charitable bequest in your will or trust
- Designating the St. Lorenz Foundation as a beneficiary of your retirement plan or IRA

## Learn more

For more information about charitable gifting of IRA assets, contact your financial or tax advisor. Or, call St. Lorenz Foundation Executive Director Perry Bresemann at 989.652.0796 or email him at [pab@stlorenz.org](mailto:pab@stlorenz.org).



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