



Rancho Santa Fe
FOUNDATION

PROMOTING PHILANTHROPY SINCE 1981

Distributions From an IRA – Another Option for Donors

When President Bush signed the \$700 billion economic bailout bill (H.R. 1424, The Financial Rescue Package), the bill included a two-year extension of the IRA Rollover provision.

If you recall, this legislation was originally passed in August 2006, in the aftermath of Hurricane Katrina. People across the country were able to take advantage of this, in support of not only the hurricane victims, but also for any non-profit organization which they chose to support. However, that legislation was only extended through December 2007.

This recent provision will be made retroactive to January 1, 2008, and will apply to gifts made from that date through December 31, 2009.

The provision exempts from taxable income any funds transferred (“rolled over”) from an Individual Retirement Account (IRA) to a charitable organization. The following limitations apply:

- The donor must be age 70½ or older.
- The cap on annual IRA rollovers is \$100,000.
- The contribution must be a direct gift to a charity (no planned gifts).

“This is a huge victory for the fundraising community,” said Paulette V. Maehara, President and CEO of the Association of Fundraising Professionals. “A critical part of this success has been all of the letters, phone calls and emails that sic [people] have sent to Congress and the White House.”

It is the hope that next year Congress will enhance the bill by lowering the age for donors, increasing the cap on gifts and making the provision permanent.

Should you be in a position to utilize your IRA for charitable giving this year, please contact your financial advisor or fund administrator for more details.

You may also contact the RSF Foundation office at 858-756-6557 for more information.