



VAJRAYANA FOUNDATION

## IRA Charitable Rollover

If you are age 70 ½, the IRA Charitable Rollover allows you to transfer up to \$100,000 out of your IRA each year directly to charity without it being included in your taxable income. After many years of annual extensions, this provision was made finally permanent by Congress and signed into law in 2015.

The IRS requires you to start taking “Required Minimum Distributions” (RMD) at age 70 ½ from your traditional IRA account, whether you want to or not. These Required Minimum Distributions are taxed at ordinary income tax rates. Depending on your tax bracket, that may be a tax-painful event, especially if you don’t need the additional income. And if you do not take your RMD, it is subject to a 50% penalty!!

The IRA Charitable Rollover allows you to transfer some or all of your Required Minimum Distribution amount directly from your IRA to your favorite charities and avoid income taxes on these gifts. RMDs are also not counted toward your Adjusted Gross Income (AGI) , keeping you in a lower tax bracket, and allowing you to take full advantage of deductible expenses like health care, which are calculated on your AGI.

You can use the IRA Charitable Rollover even if you do not itemize deductions, and it may be advantageous for you to make some or all of your charitable gifts using the Rollover. If you do itemize, and you’ve reached the deduction limitations on charitable contributions, the Rollover provides an opportunity to increase your gifts to your favorite charities (up to \$100,000 per year) without incurring any additional income tax liability.

How can you take advantage of the IRA Charitable Rollover to increase your philanthropy?

- You must be at least 70 ½ years of age when the gift is made.
- The transfer must be made directly from your IRA administrator to your chosen charitable organizations
- The direct charitable distributions from an IRA cannot exceed \$100,000 per person in a given year (or \$200,000 total for a couple with separate IRAs).
- They can only be outright gifts, and can’t fund a charitable gift annuity or a charitable remainder trust
- These distributions will not qualify if they are made to a donor-advised fund, a supporting organization, or a private foundation (Vajrayana Foundation is not a private foundation).
- You may receive no goods or services in return for your gifts.

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If you would like to use the IRA Charitable Rollover to contribute to the Vajrayana Foundation, we would be happy to answer any questions you may have and walk you through the process of arranging such gift(s) with your IRA Plan Administrator.

Please feel free to call one of us at 831-761-6267 or email [becky@vajrayana.org](mailto:becky@vajrayana.org) or [nancy@vajrayana.org](mailto:nancy@vajrayana.org).

With sincere appreciation for your support,

Becky Loy and Nancy Menzies  
Co-Directors

**Organization Name:** Vajrayana Foundation  
**IRS Tax ID (Federal EIN):** 77-0181842  
**California Charity Number:** 1603782

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