

# **IRA Charitable Rollover Contribution**

*The IRA Charitable Rollover was first enacted on August 17, 2006, as part of the Pension Protection Act of 2006 and was reinstated permanently on December 18, 2015 as part of the Protecting Americans from Tax Hikes (PATH) Act, making it retroactive to January 1, 2015.*

**Taxpayers age 70½ and older** are required to make annual distributions from their IRAs which are then included in the taxpayers' adjusted gross income (AGI) and subject to taxes. The IRA Charitable Rollover permits those taxpayers to make donations directly to charitable organizations from their IRAs without counting them as part of their AGI and, consequently, without paying taxes on them.

**A donor's total** combined charitable IRA rollover contributions cannot exceed \$100,000 in any one year.

**Eligible Charities.** Charitable contributions from an IRA must go directly to a public charity that is not a supporting organization. Contributions to donor-advised funds and private foundations, except in narrow circumstances, do not qualify for tax-free IRA rollover contributions.

**Eligible Retirement Accounts.** Distributions can only be made from traditional Individual Retirement Accounts or Roth IRAs. Charitable donations from 403(b) plans, 401(k) plans, pension plans, and other retirement plans are ineligible for the tax-free treatment.

**Directly to the Charity.** Distributions must be made directly from the IRA trustee payable to the public charity.

**No Gifts in Return.** Donors cannot receive any goods or services in return for charitable IRA rollover contributions in order to qualify for tax-free treatment.

**Written Receipt.** In order to benefit from the tax-free treatment, donors must obtain written substantiation of each IRA rollover contribution from each recipient charity.