**GEOLOGICAL SOCIETY OF AMERICA FOUNDATION**

**IRA Rollover Information**

Use Your Traditional IRA to Support the Geological Society of America Foundation

Legislation that was passed in 2015 allows individuals aged 70 ½ + to make charitable gifts directly from a traditional IRA account to charity without incurring federal income tax on the withdrawal.

The IRA Charitable Rollover provides you with an excellent opportunity to make gifts during your lifetime from an asset that could be subject to multiple levels of taxation in your estate.

**Benefits:**

* + - * Give up to $100,000 each calendar year.
      * Charitable distributions are not included in your gross income for federal income tax purposes on your IRS Form 1040 (no charitable deduction is available, however).
      * Gifts count toward required minimum distribution for the year from your IRA.
      * You can choose the program at the Geological Society of America that will receive your gift.

**To Qualify:**

* + - * You must be 70 ½ + at the time of gift.
      * Transfers must be made directly from a traditional IRA account by your IRA administrator to the Geological Society of America Foundation. Funds that are withdrawn by you and then contributed to do NOT qualify. Gifts from 401K, 403b, SEP and other plans do not qualify but these plans can be converted to IRAs.
      * Gifts must be outright. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities are not allowed.

**Example**

Suppose Jane has $500,000 in an IRA and a $25,000 required minimum distribution for the year. She also wants to contribute $20,000 to the Geological Society of America Foundation. She can authorize the administrator of her IRA to transfer $20,000 to the Geological Society of America Foundation and $5,000 to herself. Her gift will not be subject to federal tax and will be counted toward her annual required minimum distribution.

**Who qualifies?**

Individuals who are age 70 ½ or older at the time of the contribution.

**How much can I transfer?**

$100,000 per year.

**From what accounts can I make transfers?**

Transfers must come from your IRA directly to the Geological Society of America Foundation. If you have retirement assets in a 401k, 403b etc., you must first roll those funds into an IRA, and then you can direct the IRA administrator to transfer the funds from the IRA directly to the Geological Society of America Foundation.

**To what charities can I make gifts?**

Deductible contributions can be made to tax exempt organizations that are classified as 501(c)(3) charities like the Geological Society of America Foundation.

**Can I use the IRA Charitable Rollover to fund life-income gifts (charitable gift annuities, charitable remainder trusts, or pooled income funds), donor advised funds, or supporting organizations?**

No, these are not eligible.

**How will the Geological Society of America Foundation count the gift?**

We will give you full credit for the entire gift amount.

**What are the tax implications to me?**

Federal – You do not recognize the transfer to the Geological Society of America Foundation as income, provided it goes directly from the IRA administrator to us. However, you are not entitled to an income tax charitable deduction for your gift.

State – Each state has different laws, so you will need to consult with your own advisors. Some states have a state income tax and will include this transfer as income. Within those states, some will allow for a state income tax charitable deduction and others will not. Other states base their state income tax on the federal income or federal tax paid. Still other states have no income tax at all.

**Does this transfer qualify as my required minimum distribution?**

Once you reach age 70 ½ you are required to take minimum distributions from your retirement plans each year, according to a federal formula. IRA Charitable Rollovers count toward your required minimum distribution from the IRA for the year.

**Can my spouse also make an IRA Charitable Rollover, even if we are married and file jointly?**

Yes, every individual can use the IRA Charitable Rollover for up to $100,000 each year.

**How do I know if an IRA Charitable Rollover is right for me?**

You are at least age 70 ½ and:

-You do not need the additional income necessitated by your required minimum distribution, OR

-Your charitable gifts already equal 60% of your adjusted gross income, so you do not benefit from an income tax charitable deduction for additional gifts, OR

-You do not itemize deductions, OR

-You are subject to income phase-outs on your income tax deductions.

**What is the procedure to execute an IRA Charitable Rollover?**

We offer a sample letter you can send to your plan provider to initiate a rollover. Please contact us when you direct the rollover so we can look for the check from your IRA administrator and apply your gift to:

**Geological Society of America Foundation**

**3300 Penrose Place**

**Boulder, Colorado 80301**

For more information please contact Clifton Cullen at (303) 357-1007 or ccullen@geosociety.org.

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