

Good News for Donors: Charitable IRA Rollover is Back!



Shriners Hospitals
for Children™

Don't miss this second-chance opportunity to make tax-free gifts from your IRA!

Making a charitable contribution to a meaningful and worthy cause like Shriners Hospitals for Children is one of the most rewarding things most of us will ever experience during our lifetimes. A gift to Shriners Hospitals for Children offers so many benefits...both to the children in our care and to the donors who generously support our mission.

Prior to 2006, however, many people who wished to make a gift from their IRA may have been discouraged from doing so because of certain income tax consequences. The Pension Protection Act of 2006 eliminated those barriers and allowed donors to make tax-free distributions to qualifying charities from their IRA in 2006 and 2007.

Now, there is good news once more for those wishing to make a contribution from their IRA. Under new legislation, there is again a limited-time opportunity for certain individuals to avoid federal income tax on IRA distributions to Shriners Hospitals for Children. A provision in the Emergency Economic Stabilization Act of 2008 provides an exclusion from gross income for IRA distributions to a public charity, such as Shriners Hospitals for Children, of up to \$100,000 per year. The legislation applies to traditional IRAs and Roth IRAs for qualified charitable distributions made during 2008 and 2009 by plan owners who have attained at least age 70 ½ on the date of the distribution to the charity.

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Eligible Plans: IRAs and Roth IRAs. Other forms of retirement plans such as 401(k), 403(b) annuities, defined benefit and contribution plans, profit sharing plans and Keoghs plans are *not* eligible.

Eligible Dates: Transfers made between Jan. 1, 2008, and Dec. 31, 2009.

Age: The income tax exclusion applies to individuals who have reached 70 ½ by the date of the contribution.

Distribution Limitation: The amount that can be excluded from a plan owner's income is limited to \$100,000 per taxpayer per year. Therefore, a married couple can donate up to \$200,000, provided each spouse owns at least one IRA and can each make a qualified charitable distribution of up to \$100,000 from their plans. Funds or securities transferred by your IRA custodian directly from your IRA to Shriners Hospitals for Children can count toward your annual mandatory withdrawal and avoids federal income tax.

Qualified Charitable Distributions:

Any distribution from a traditional IRA or Roth IRA made directly by the IRA administrator to Shriners Hospitals for Children can qualify. (Shriners Transportation Funds, donor-advised funds, supporting organizations and private foundations *do not* qualify.)

Direct Distributions: The IRA distribution of cash or securities must be made directly from the IRA custodian, administrator or trustee to the charity – the check from the IRA should be made payable to Shriners Hospitals for Children, not the plan participant. Arrangements for the electronic transfer of securities from the IRA can be made.

If you are interested in learning more about making a gift to Shriners Hospitals for Children from your IRA or other giving opportunities, please contact the Office of Development. Consult your own attorney or tax advisor for more details and to determine if this manner of giving is appropriate for your situation.