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Dear [name],

Thank you, mission, etc.

I wanted to introduce you to a tax-advantaged way to make gifts from your IRA to Nonprofit Foundation. In 2015, Congress made the so-called "Charitable IRA Rollover," or more formally the Qualified Charitable Distribution (QCD) a permanent feature of the tax Code.

How it Works

* You must be age 70½ or older at the time of gift. Do not confuse this with the Required Beginning Date (RBD) for Required Minimum Distributions (RMDs) which has been increased to age 72.
* Transfers must be made directly from a traditional IRA account by your IRA administrator to Nonprofit Foundation.

Tax and Other Benefits

* You can donate up to $100,000 annually from your IRA, tax free. The distribution is not reportable as income to you, and you need not itemize deductions.
* If you are age 72 or older, these transfers will count towards your required minimum distribution for the year in which you made the gift.
* Your gift will affect the lives of students for generations to come! (highlight your mission)

EXAMPLE

John is 71 wants to make a contribution to Nonprofit Foundation. He has $500,000 in his IRA and he wants the contribution to be $20,000. He can authorize the administrator of his IRA to transfer $20,000 directly to Nonprofit. Because the IRA Charitable Transfer is excluded from income, John will not be eligible for a charitable income tax deduction but he still benefits from the tax savings. If John makes a similar gift at age 72 or older, the $20,000 distributed to us will be counted toward his annual minimum required distribution, and he will not pay income tax on the portion given to charity.

Sincerely,

Jane Doe

Vice President, Principal Gifts and Gift Planning

PS: QCDs must be made directly from the IRA, outright to the recipient charity. Distributions to donor-advised funds or life-income arrangements such as charitable remainder trusts and charitable gift annuities do not qualify. Gifts from 401k, 403b, SEP and other plans also do not qualify. Ask your financial advisor if it would be right for you to roll over amounts from one or more of these plans to a traditional IRA account so you can benefit from the IRA Charitable Transfer.

PPS:
Remember, IRA Charitable Transfers are excluded from gross income for federal income tax purposes on your IRS Form 1040. So you receive no charitable deduction.