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## **American Taxpayer Relief Act includes renewed opportunity for IRA rollovers to charity in 2013**

Through December 31, 2013, individuals who received distributions from IRAs or retirement accounts could choose to donate the amount received to a charity and **avoid paying taxes on the distribution**. This is called a Qualified Charitable Distribution (QCD)

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### **How it Works:**

Throughout 2013, taxpayers can make an IRA distribution directly to charity and claim it as a tax-free IRA charitable rollover gift. These gifts must be made directly to Lakewood. An IRA custodian cannot make a check payable to the taxpayer.

### **The provision provides a meaningful opportunity for:**

- Individuals with “overfunded” IRAs who would like to reduce their IRA balance.
- Tax-free and required minimum distribution amounts.
- Individuals who are high-income taxpayers who would like to reduce their taxable income.
- Individuals who must take minimum IRA distributions but do not need the additional income.
- Anyone who has designated Lakewood as beneficiary of an IRA or considered using IRA assets to make a gift to Lakewood.
- Individuals who wish to make charitable gifts in excess of 50% of their AGI

**Note:** To qualify as an IRA charitable rollover, the IRA distribution must be made as an outright gift. Distributions cannot be used to fund gift annuities or charitable remainder unitrusts and can only be made from traditional IRAs and Roth IRAs (not other forms of retirement plans such as 401(k), 403(b), etc.). Distributions cannot be made to donor advised funds and supporting organizations, including most private foundations. If the above rules are followed, there is no charitable deduction for the donation, but instead the QCD is excluded from income entirely.

### **Key points for IRA-qualified charitable distributions:**

- Are tax free up to \$100,000.
- Will qualify for all or part of the required minimum distribution.
- May only be made by an IRA holder who is 70½ or older at the time of the gift.
- Must be an outright gift to a charitable organization such as Lakewood.
- May only be made from traditional IRAs and Roth IRAs.

Contact **Jane Neff**, Lakewood’s Director of Development, at 503-635-6338 for assistance. Please consult your tax adviser for the best options for you.

*Lakewood Theatre Company/Lakewood Center for the Arts is a 501(c)(3) non-profit organization. Contributions are tax deductible to the fullest extent allowed by law. Our Federal tax ID is 93-0700108.*