



Nebraska United Methodist Foundation
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PLANNED GIVING BRIEF



ACT NOW TO SAVE ON TAXES

HOW IT WORKS

CONVERT A BURDEN TO BENEFIT

If you are 70½ or older you are likely familiar with the IRA required minimum distribution (RMD). Each year, the IRS requires you to withdraw a certain amount from your IRA whether you need the funds or not. And you pay income tax on every distribution you take. For many IRA account holders, the taxes can be a significant and an undesirable annual burden.

MAJOR GIFT WITH MINOR EFFORT

Many people are discovering that they can make a big difference at their church with an IRA charitable rollover gift. For an added benefit consider designating your church as a beneficiary of your IRA and create a fund at the Foundation.

REDUCE TAXES INCREASE IMPACT

The IRA charitable rollover provides several benefits. It allows you to transfer up to \$100,000 from your IRA directly to a nonprofit this year. You pay no taxes on the transfer and your gift counts dollar-for-dollar to support important work. You can also count the gift against your required minimum distribution, which lowers your income and taxes this year.

ACT NOW TO SAVE ON TAXES!



Margaret was a retired librarian. She volunteered at her church several times a week and also made several donations to the church's ministries each year. Margaret saw that her taxes were increasing and wondered how she could continue to do extra things like make charitable gifts with lower income.

Margaret: I have been fortunate that I could make extra gifts to my church every year. My financial advisor told me that because I was turning 70½ this year, I would have to begin taking distributions from my IRA. He also told me that because my income was increasing, my tax rate would too.

I started looking at ways to save money and reduce my taxes. I talked to the Foundation and learned that I could reduce my income and my taxes by transferring money directly from my IRA into a fund for my church, held at the Foundation. The Foundation gave me the option to start an endowed fund, where income from the fund would be sent to my church forever. This means that even after I pass, my giving does not have to stop. What a blessing.

An individual who is age 70½ and older must take a "required minimum distribution" from his or her IRA each year. With the IRA charitable rollover, these individuals can transfer up to \$100,000 per year directly to charity and it satisfies their required minimum distribution. Margaret called her IRA custodian and requested a transfer of \$10,000 from her IRA directly to the Foundation to support her church.

Margaret: I knew that I would never use all of the money in my IRA. I was thrilled to learn that a gift from my IRA could reduce my income taxes this year while helping my church.

The names and images shown here are representative of typical donors and may or may not be actual donors to the organization. Under federal rules your benefits may be different from this example. Please contact us for your specific benefit.

OS-2015-253.1-cp