

Charitable IRA and Pension Rollover Provision Provides Unprecedented Giving Opportunity for Willamette Valley Hospice Supporters

Between now and December 31, 2007, Willamette Valley Hospice supporters age 70 ½ and older may take advantage of a special giving opportunity allowed under legislation signed by President Bush in August 2006. The IRA Charitable Rollover provision allows individuals to make distributions from their IRA accounts directly to Willamette Valley Hospice without recognizing the distribution as income

To qualify:

- You must be at least 70 ½ years old at the time of the charitable distribution.
- The gift must be made before January 1, 2008.
- You may rollover up to \$100,000 for the tax year 2007
- Distributions must be made directly from the trustee/administrator of your IRA to a qualifying public charity such as Willamette Valley Hospice (You cannot receive the distribution yourself prior to gifting it to the charity).
- Gifts must be made outright to the charity (they cannot be used to fund charitable remainder trusts or charitable gift annuities).
- Since this provision allows you to exclude the distribution from income (thus realizing a reduction on your income taxes), no charitable deduction is allowed.
- Rollover distributions to charity may be made in addition to any other tax deductible contributions.

For example:

Assume you are required to take required minimum distributions totaling \$50,000 a year despite having ample other income resources to meet your needs. If you are at a 34% federal and 9% Oregon tax bracket, you would be paying \$21,500 in taxes leaving only \$28,500 in net proceeds. However, if you had your required minimum distribution paid directly to a charity like Willamette Valley Hospice, NO taxes would be incurred. You can choose to donate part or all of your required minimum distribution to charity giving you greater flexibility.

This may pertain to you if...

- You have IRA assets that may not currently be needed to support your retirement lifestyle, but you are required to take distributions each year anyway. This may be an excellent option to save taxes and benefit Willamette Valley Hospice. A qualified charitable distribution can partially or completely satisfy your IRA annual minimum distribution requirements, without your having to recognize the distribution as income.

- You have made, or are considering making, charitable gifts that would exceed the 50% adjusted gross income limitation. Charitable IRA rollover distributions are not included in this calculation.
- It is likely you will have substantial IRA assets at death. IRA assets passing to a non-spouse are subject to income AND estate taxes. However, if you make a charitable “rollover” now, you can avoid double taxation of your IRA.

We urge you to consult with your professional advisor regarding this new charitable IRA rollover opportunity!