IRA Rollover Questions and Answers

The IRA charitable rollover allows individuals age 70½ and older to make direct transfers totaling up to $100,000 per year to 501(c)(3) organizations, without having to count the transfers as income for federal income tax purposes.

- **Who qualifies?** Individuals who are age 70½ or older at the time of the contribution (you have to wait until your actual 70½ birthdate to make the transfer).

- **How much can I transfer?** Up to $100,000 per year.

- **From what accounts can I make transfers?** Transfers must come from your IRAs directly to the National Peace Corps Association (NPCA). If you have retirement assets in a 401(k), 403(b) etc., you must first roll those funds into an IRA, and then you can direct the IRA administrator to transfer the funds from the IRA directly to NPCA.

- **To what organizations can I make gifts?** Tax exempt organizations that are classified as 501(c)(3) organizations, including the National Peace Corps Association, to which deductible contributions can be made.

- **Can I use the rollover to support a specific program at the National Peace Corps Association?** Yes, all IRA Rollover gifts can be used to support a specific program of your choice within the National Peace Corps Association. However, you cannot direct your gift for a purpose from which you receive a personal benefit, goods, or services in return, such as an affiliate group membership, subscription to *WorldView* magazine, etc.

- **How will the National Peace Corps Association count the gift?** You will receive full credit for the entire gift amount.

- **What are the tax implications to me?**
  - **Federal** — You do not recognize the transfer to the National Peace Corps Association as income, provided it goes directly from the IRA provider to us. However, you are not entitled to an income tax charitable deduction for your gift.
  - **State** — Each state has different laws, so you will need to consult with your own advisors. Some states have a state income tax and will include this transfer as income. Within those states, some will allow for a state income tax charitable deduction and others will not. Other states base their state income tax on the federal income or federal tax paid. Still other states have no income tax at all.
• **Does this transfer qualify as my Required Minimum Distribution (RMD)?** If you were 70½ or older in 2019, you are required to take RMD from your retirement plans in 2020, according to a federal formula. This transfer will qualify. If you reach the age of 70½ in 2020, you do not have to make a RMD until age 72. IRA charitable rollovers affect your minimum required distributions for the year. Please consult with a tax advisor for further guidance. Those who reach the age of 70½ at any time are still able to make a Qualified Charitable Distribution (QCD).

• **How do I know if an IRA charitable rollover is right for me?** An IRA charitable rollover could be advantageous for you if:
  - You are at least age 70½, AND
  - You do not need the additional income necessitated by the minimum required distribution, OR
  - Your charitable gifts already equal 50% of your adjusted gross income, so you do not benefit from an income tax charitable deduction for additional gifts, OR
  - You do not itemize deductions, OR
  - You are subject to income phase-outs on your income tax deductions.

• **What is the procedure to execute an IRA charitable rollover?** To complete an IRA charitable rollover, the first step is to contact your IRA provider to learn their procedure. Please contact us at development@peacecorpsconnect.org or 202-293-7728, extension 18 when you direct the rollover so we can expect the check from your IRA provider.

• **What is NPCA’s mailing address and tax ID number?**
  National Peace Corps Association
  1825 Connecticut Ave. NW, Suite 800
  Washington, DC 20009

  Tax ID: 58-1431113

*This information is intended to provide general gift planning education. Our organization is not qualified to provide specific legal, tax, or investment advice, and this source should not be looked to or relied upon as a source for such advice. Consult with your own legal and financial advisors before making any gift.*