

## IRA Rollover Questions and Answers

*On December 18, 2015, President Obama signed legislation recently passed by Congress to permanently reauthorize the Charitable IRA Rollover retroactive to January 1, 2015. 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 minimum required distribution?** Once you reach age 70½, you are required to take minimum distributions from your retirement plans each year, according to a federal formula. IRA charitable rollovers count towards your minimum required distributions for the year.
- **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 procedures. Make sure you contact us at [development@peacecorpsconnect.org](mailto:development@peacecorpsconnect.org) or 202-293-7728, extension 18 when you direct the rollover so we can look for the check from your IRA provider.
- **What is NPCA's address and tax ID number?**  
National Peace Corps Association  
1900 L Street NW, Suite 610  
Washington, DC 20036  
  
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.*