

TAX-FREE IRA ROLLOVER PERMANENTLY EXTENDED

On Friday, December 18, 2015, Congress passed the IRA charitable rollover provision of the Trade Facilitation and Trade Enforcement Act of 2015. The new law has made this a permanent opportunity for qualified donors.

Under this legislation, qualified donors may make outright gifts of up to \$100,000 to Proctors from their IRA and avoid taxation on the distribution. You may wish to contact the organization holding your IRA for their specific instructions or forms.

To benefit from this gift opportunity, the following qualifications must be met.

- Donor must be age 70½ or older at the time of transfer.
- The maximum amount a donor may transfer is \$100,000.
- The gift must be outright. Gifts to donor advised funds or to life income vehicles do not qualify.
- The gift must be transferred directly from the IRA account by the IRA administrator to Proctors.

To assist donors interested in making a charitable gift from their IRA, we have provided the attached sample letters on page 2 and 3.

The first letter contains specific transfer instructions from the donor to the IRA custody agent. The second letter is from the donor to Proctors to inform us as to how the gift should be used.

If you have any questions regarding the charitable IRA rollover or how to make a planned gift to Proctors, please contact Karen Johnson, kjohnson@proctors.org or (518) 382-3884 x 114 or your accountant or financial planner.

“I have used this new law – and though it is a bit complex – just follow the model and you’ll have another charitable tool available. See if it will benefit you.” Karen Johnson

Sample Request from Plan Owner to Administrator for Charitable Distribution from Individual Retirement Account (IRA) to Proctors (legal name: Arts Center & Theatre of Schenectady, Inc.)

Date _____

Custody Agent

Address

RE: Request for Charitable Distribution from Individual Retirement Account # _____ in the name of _____

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account # _____. Please issue a check in the amount of \$ _____ (not to exceed \$100,000) payable to “Arts Center & Theatre of Schenectady, Inc.” and mail it directly to the following address: Arts Center & Theatre of Schenectady, Attn: Dan Hanifin – IRA, 432 State Street, Schenectady, NY 12305.

In your transmittal to Arts Center & Theatre of Schenectady, please give my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal.

It is my intention to have this transfer qualify for exclusion, or inclusion/deduction, with respect to the 2016 (2017 etc.) tax year.

If you have any questions, or need to contact me, I can be reached at: (____) ____-_____. Thank you for your assistance in this matter.

Sincerely,

Plan Owner Name

Plan Owner’s Address

Date

Donor Name
Donor Address

Dan Hanifin
Relationships Director
Proctors
432 State Street
Schenectady, NY 12305

Dear Dan:

I have written to my IRA custody agent, _____, to request a distribution of \$_____ directly to Proctors (Arts Center & Theatre of Schenectady) as a charitable donation for the support of:

_____.

Thank you for your attention to this matter. If you have any questions, please contact me at (phone number)_____ or (email address)

_____.

Sincerely,

DONOR