

Emergency Economic Stabilization Act of 2008 **Gifts of Individual Retirement Account (IRA) Assets**

The Emergency Economic Stabilization Act extends the provision of the Pension Protection Act of 2006 that allowed for an exclusion from gross income for “qualified charitable distributions” from a “qualified IRA.” This transfer to charity can satisfy the plan owner’s “required minimum distribution” for the year.

- Qualified Charitable Distribution:
 - Distribution must be made during calendar **Year 2008 and/or 2009**
 - Plan owners must have attained the age of **70 ½** by the date of distribution
 - Checks must be from the plan administrator and made out to the charity
 - Can distribute up to **\$100,000 per year**, per taxpayer
 - Spouses who each have their own plans may distribute up to \$100,000 from their own respective plans for a total of \$200,000 per couple, per year
 - Distribution has to be to a **Public Charity**
 - Distributions are not allowed to private foundations, supporting organizations, or Donor Advised Funds
 - The distribution must constitute an **Outright Gift** during the plan owners lifetime
 - Distributions can not be used to fund Charitable Gift Annuities, Charitable Remainder Trusts, etc or transferred after the death
 - This distribution to charity satisfies the plan owner’s **Required Minimum Distribution** for the year in which the distribution is made
- Qualified IRA:
 - Legislation applies to **Traditional** and **Roth IRAs** only
 - NO 401(k), 403(b), defined benefit & contribution plans, profit sharing plans, Keoghs and employer sponsored SEPs and SIMPLE plans.
 - Can **roll over from an ineligible plan to a qualified IRA**, if all other rules for rollovers are followed, and then donate to charity from the qualified IRA.
- Other Important Benefits:
 - A charitable distribution can help donors who want to avoid the negative impact IRA distribution rules can have on the tax they pay on Social Security benefits.
 - A charitable distribution can benefit those donors who typically use the “Standard Deduction” because they don’t have enough deductions to itemize and therefore do not claim a Charitable Tax Deduction when they make their charitable gifts.
 - A charitable distribution can assist donors whose income level causes the phase out of their exemptions.
 - Distributions do not apply to a donor’s 50%/30% charitable deduction limitations.