

# CONGRESS APPROVES TAX FREE GIFTS FROM IRAs

*IRA rollover provision renewed for charitable gifts through the Tax Extenders and Alternative Minimum Tax Relief Act of 2008*

Effective for the 2008 and 2009 tax years **only**, this renewed legislation allows direct gifts to charity of up to \$100,000 from individual retirement accounts (IRAs) without including the distribution in income.

## ***Key Points:***

- You must be at least **age 70 ½** when the gift distribution is made.
- The new law applies only to **IRA accounts** (either Traditional or Roth). Other plans such as 401(k) or 403(b) plans do not qualify.
- The gift distribution must be made **directly** from your IRA administrator to your church, UM organization or other favorite charity.
- Gifts are limited to **\$100,000 per taxpayer per year**. If married and each spouse has an IRA, then each may gift up to \$100,000 per year.
- The renewed law applies only to gifts made in **2008 and 2009**.
- The gift counts toward your IRA minimum annual distribution requirement. (Please note: legislation was signed in December 2008 suspending the minimum distribution requirement in 2009.)
- The gift distribution is **excluded from your income for both federal and Missouri state income tax purposes**. Although you cannot deduct the gift on your income tax return, the distribution is not reported as income so there is no adverse income tax effect.
- Under this law, IRA gift distributions may **not** be used to contribute to a private foundation, a supporting organization, a donor advised fund, charitable gift annuity or charitable remainder trust.

This legislation is effective immediately, and you will want to discuss it with your professional tax and financial advisors. To make a distribution, contact your IRA custodian. (A sample request letter is attached.)

For more information on making a gift from your IRA, contact the Missouri United Methodist Foundation at 800-332-8238 or visit

[www.mumf.org](http://www.mumf.org) .