



# REDUCE Your Tax Burden EVEN IF YOU DON'T ITEMIZE

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Charitable arm of the Illinois Farm Bureau

Working in partnership with County Farm Bureaus

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

## An IRA Charitable Rollover Gift:



May satisfy your annual required minimum distribution, or RMD, up to the amount of your gift



Allows you to give from pre-tax assets and your distribution is excluded from taxable income



Helps avoid limits on charitable deductions and prevents you from being pushed into a higher tax bracket



Simplifies the giving process. It's easy to do— just notify your IRA custodian



Minimizes the effect your giving has on your cash flow. The gift is from your assets, not your checkbook

- 70½ or older
- 1 Direct up to \$100,000

Do you own an IRA or other qualified retirement plan? Are you looking for a tax-wise strategy to make gifts to support our mission? If so, consider making an **IRA charitable rollover gift**.

At your direction, the custodian or trustee of your IRA can transfer money from your IRA directly to a qualified public charity, like ours, so that you can support the causes that matter most to you. This gift is a qualified charitable distribution (QCD), also called an IRA charitable rollover gift.

An IRA rollover has several significant tax advantages. It allows you to give from pre-tax assets. If you do not itemize or are subject to charitable deduction limits, the IRA rollover still allows you to give while receiving tax benefits. An IRA rollover gift could also help you avoid income that could push you into a higher tax bracket.

## PLAN AHEAD FOR RMDs

Required Minimum Distributions, or RMDs, are required after a brief break in 2020 initiated by the CARES Act. RMD rules apply to all employer-sponsored retirement plans and traditional IRA's. The SECURE Act made changes to the RMD rules. If you reach age 70 1/2 in 2020 or later, you more than likely will be required to take your first RMD by April 1 of the year after you reach 72. RMD's require planning. Speak with a professional who understands your situation and the new rules.