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## *Make a Tax-Free Gift with an IRA*

You can make a difference today and save on your taxes by supporting Texas Campaign for the Environment Fund (TCE Fund) through your IRA! This popular gift option is commonly called the IRA charitable rollover or qualified charitable distribution. Your gift will be put to use today, allowing you to see the impact your donation is making.

- If you are at least 70½ years old, you (and your spouse) can give any amount up to \$100,000 per year from your IRA directly to a qualified non-profit such as TCE Fund without having to pay income taxes on the money. This sort of gift is not income to you, so it is not tax-deductible and not subject to annual charitable deduction limitations.
- Beginning in the year you turn 73, you can use your gift (up to \$100,000) to satisfy all or part of your required minimum distribution. Since the gift doesn't count as income, it can reduce your annual income level. This may help lower your Medicare premiums and decrease the amount of Social Security that is subject to tax.

It's simple and easy to make a gift through your IRA—all it takes is a letter to your IRA administrator asking them to make a direct payment to TCE Fund via check or wire transfer from your account. You may contact your IRA administrator and ask if they have a form for this purpose, or you may use the sample letter included below.

If you are considering this giving choice, contact us at [olivia@texasenvironment.org](mailto:olivia@texasenvironment.org) or 512-326-5658 so we can help explain your options and describe the process. If you've already arranged for such a gift, please let us know so that we can say thank you!

### **Frequently Asked Questions**

*I am not 70½ yet. Can I still make this gift?*

In order to transfer a gift directly from your IRA account to TCE Fund, you must be at least 70½ by the date you make the gift. However, if you are at least 59½ years old, you can take a personal IRA distribution and then donate to TCE Fund out of that without any penalty. If you itemize your tax deductions, you can take a charitable deduction for the amount of your gift.

*Can my gift be used as my Required Minimum Distribution (RMD)?*

Yes. Beginning in the year you turn 73, if you are required to make annual withdrawals from an IRA account, these otherwise taxable distributions can satisfy your annual Required Minimum Distribution (RMD) and exclude these funds from your taxable income.

*Do I need to give my entire IRA to be eligible for the tax benefits?*

No. You can give any amount under this provision, as long as it is no more than \$100,000 per year. If your IRA is valued at more than \$100,000, you can transfer a portion of it to fund a charitable gift.

*When do I need to make my gift?*

We must receive your gift by December 31 for your donation to qualify this year. If you have check-writing features on your IRA, please be aware that your check must clear your account by December 31 to count toward your required minimum distribution for the calendar year.

*I have two charities I want to support. Can I give \$100,000 from my IRA to each?*

No. Under the law, you can give a maximum of \$100,000 per year. For example, you can give each organization \$50,000 this year or any other combination that totals \$100,000 or less. Any amount of more than \$100,000 in one year must be reported as taxable income.

*My spouse and I would like to give more than \$100,000. How can we do that?*

If you have a spouse (as defined by the IRS) who is 70½ or older, they can also give any amount up to \$100,000 from their IRA.

*Can I make a legacy gift through my IRA by designating a charity as its beneficiary?*

Yes! No matter your age, you can designate TCE Fund as the beneficiary of all or a percentage of your IRA and it will pass to us tax-free after your lifetime. It's simple, just requiring that you contact your IRA administrator for a change-of-beneficiary form or download a form from your provider's website.

*I've already named TCE Fund as the beneficiary of my IRA. What are the benefits if I make a gift now instead of after my lifetime?*

By making a gift this year of any amount up to \$100,000 from your IRA, you can see your donation at work immediately. Moreover, you can fulfill any outstanding pledge you may have made by transferring that amount from your IRA as long as it is \$100,000 or less for the year.

*I have several retirement accounts—some are pensions and some are IRAs. Does it matter which retirement account I use?*

Yes. Direct gifts to a qualified charity can be made only from an IRA. Under certain circumstances, however, you may be able to roll assets from a pension, profit sharing, 401(k), or 403(b) plan into an IRA and then make the transfer from the IRA directly to TCE Fund. To determine if a rollover to an IRA is available for your plan, speak with your plan administrator.

[Insert donor address and contact information here]

## Sample

### Qualified Charitable Distribution (QCD) Request to Plan Administrator

[Insert date here]

[Insert IRA custodian firm, contact, and address here]

This letter serves as my request to make a qualified charitable distribution from my individual retirement account [Insert account number here] as provided by the Protecting Americans from Tax Hikes Act of 2015.

Please issue the distribution in the amount of \$\_\_\_\_\_ to Texas Campaign for the Environment Fund:

Distribution by <b>CHECK</b>	OR	Distribution by <b>WIRE TRANSFER</b>
<b>Mail to:</b> Texas Campaign for the Environment Fund P.O. Box 42278 Austin, TX 78704  Phone: (512) 326-5658 Email: olivia@texasenvironment.org		<b>Beneficiary Bank:</b> Prosperity Bank USA <b>Account Name:</b> Texas Campaign for the Environment Fund <b>ABA/Fedwire Routing #:</b> 113122655 <b>Account #:</b> 21035856 <b>Reference:</b> [Insert name of donor here] <b>Bank Address:</b> 900 Congress Ave Austin, TX 78701

In your transmittal to the Texas Campaign for the Environment Fund, please indicate my name as the IRA owner of record in connection with this transfer.

For your reference, the Federal Tax Identification number for the Texas Campaign for the Environment Fund is 74-2808805.

Please contact me at [Insert your phone/email here] should you have any further questions about fulfilling this request. [OPTIONAL: This QCD will fulfill part or all of my Required Minimum Distribution for this year, so it is my intention for the distribution to occur on or before December 31, 202X]

Sincerely,

[Insert your name & signature here]

[OPTIONAL] Texas Campaign for the Environment Fund, please designate my gift as follows:

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CC: Texas Campaign for the Environment Fund, P.O. Box 42278, Austin TX 78704, phone: 512-326-5655, email: olivia@texasenvironment.org