Individual Retirement Account Rollover

Frequently Asked Questions

Who is the best person to talk to about my IRA options?
The best person to contact is your IRA administrator. He/she will be able to walk you through the procedures and all of your options.

Is the Protecting Americans from Tax Hikes Act of 2015 similar to The American Taxpayer Relief Act of 2012?
Yes. Originally passed in 2006 as part of the Pension Protection Act, the IRA Rollover allows individuals age 70½ and older to make direct transfers totaling up to $100,000 per year to 501(c)(3) charities without having to count the transfers as income for federal income tax purposes. This law was then renamed the American Taxpayer Relief Act of 2012, which extended IRA Rollovers for 2012 then again in 2013. Today, this program is part of the Protecting Americans from Tax Hikes Act of 2015.

Who qualifies?
U.S. individuals who are age 70½ or older at the time of the contribution.

How much can I transfer?
Annually, up to $100,000 can be transferred.

Which Kiwanis causes can my gift support?
The Kiwanis International Foundation has several causes that you can support, like the Kiwanis Children’s Fund and The Eliminate Project. Learn more about other areas to support at kiwanis.org/foundation.

When does the gift need to be transferred?
For gifts to qualify in the 2015 tax year, checks must be postmarked by December 31, 2015. However, IRA distributions may be transferred throughout coming years.

From what accounts can I make transfers?
Transfers must come from your IRAs directly to the Kiwanis International Foundation. If you have retirement assets in a 401k, 403b or other retirement accounts, you must first move those funds into an IRA. Then you can direct your IRA administrator to transfer the funds from the IRA directly to the Kiwanis International Foundation.

To what charities can I make gifts?
Tax-free contributions can be made to U.S. tax exempt organizations that are classified as 501(c)(3) charities, including the Kiwanis International Foundation.

Can I use the IRA Rollover to fund life-income gifts (charitable gift annuities, charitable remainder trusts or pooled income funds), donor advised funds or supporting organizations?
No, these are not eligible.

**How will the Kiwanis International Foundation count the gift?**
We will give you full credit for the entire gift amount.

**What are the tax implications to me?**
- **Federal:** You do not recognize the transfer to the Kiwanis International Foundation as income, provided it goes directly from the IRA administrator to our foundation. Therefore, you are not entitled to an income tax charitable deduction for your gift.
- **State:** Each state has different laws, so you will need to consult with your advisor. Some states have a state income tax and will include this transfer as income. Within those states, some will allow for a state income tax charitable deduction and others will not. Other states base their state income tax on the federal income or federal tax paid. Still other states have no income tax at all.

**Does this transfer qualify as my minimum required distribution?**
Once you reach age 70½, you are required to take minimum distributions from your retirement plans each year, according to a federal formula. IRA Rollovers count towards your minimum required distribution from the IRA for the year.

**How do I know if an IRA Rollover is right for me?**
You are at least age 70½, and:
- You do not need the additional income necessitated by your minimum required distribution, OR
- Your charitable gifts already equal 50 percent of your adjusted gross income, so you do not benefit from an income tax charitable deduction for additional gifts, OR
- You do not itemize deductions, OR
- You are subject to income phase-outs on your income tax deductions.

**What is the procedure to execute an IRA Rollover?**
Contact your IRA administrator to learn their procedures. Our foundation also offers a sample letter you can send to your plan provider to initiate a rollover. Make sure that you contact us when you direct the rollover so we can look for the check from your IRA administrator.

*For more information, contact your financial advisor or the Kiwanis International Foundation at foundation@kiwanis.org or 1-800-KIWANIS, ext. 157.*