

CLEVELAND Jewish News.com

Tuesday December 5, 2006

NEWS

- ▶ local
- ▶ ohio
- ▶ israel
- ▶ world
- ▶ finance

FEATURES

- ▶ profile
- ▶ arts
- ▶ business
- ▶ reel time
- ▶ tempo
- ▶ family
- ▶ auto

COMMUNITY

- ▶ editor
- ▶ letters/opinion
- ▶ cavalcade
- ▶ Torah
- ▶ synagogues
- ▶ calendar
- ▶ reader requests

LIFE CYCLES

- ▶ births
- ▶ b'nai mitzvah
- ▶ campus
- ▶ celebrations
- ▶ deaths
- ▶ singles
- ▶ unveilings

BLOGS

HOLIDAY

SPECIAL SECTIONS

JSTYLE MAGAZINE

WEDDINGS

THE SOURCE

INCREDIBLE FINDS

- ▶ classifieds

ABOUT US

- ▶ contact us
- ▶ advertise
- ▶ subscribe

ARCHIVES

EXPERTS: New opportunities for charitable IRA rollovers

BY: DOUGLAS C. CARLSON Special to the CJN

The Pension Protection Act of 2006 (H.R. 4) was signed into law by President Bush on Aug. 17. The new law includes many significant tax reform measures impacting individuals, businesses, pension plans and charitable organizations.

It includes provisions for individuals to make tax-free gifts from their IRA accounts to qualifying charities, such as the Jewish Community Federation, the United Way, a synagogue, university or other public charities.

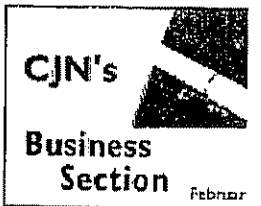
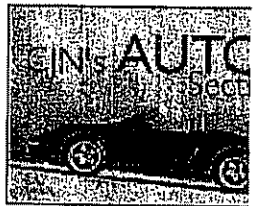
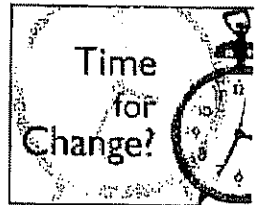
The new law enables you during 2006 or 2007 to donate a portion of your IRA directly to qualifying charities without being taxed. The rolled-over contribution is tax neutral; it is not included in your income, but also cannot be deducted. This tax-free distribution applies only if you have reached age 70-1/2 by the date of the gift.

Gifts are limited to \$100,000 per taxpayer per year. In the case of a married couple, the annual exclusion applies separately, i.e., \$100,000 for each spouse. Therefore, a married couple may take advantage of these new rules to transfer a maximum of \$400,000 from IRA accounts to qualifying charities over the next two years.

The charitable distribution can be applied in satisfaction of your required minimum IRA distribution for 2006 or 2007.

The qualifying distribution from the IRA must be made directly from the IRA trustee to a charity. It cannot be made to a donor-advised fund, supporting or private foundation, or to establish any charitable income plan

14 Kislev 5



- ▶ employment opportunities
- ▶ Internship

- CUSTOM PUBLISHING
- ARCHIVES
- ADVERTISERS
- HOME

such as a gift annuity or charitable remainder trust.

The rules apply only to gifts from traditional and Roth IRA accounts. You might consider establishing an IRA and rolling over a 401(k) balance accumulating from earlier employment. These retirement funds would qualify to take advantage of the new rules.



If you have IRA account balances, you should meet with your tax and financial advisors to determine if it makes sense to arrange for a rollover of any portion of the balances of your IRA accounts directly to charity. If you do not itemize deductions or are already making charitable contributions at the 50% deduction limit, this opportunity may be particularly attractive. It also represents a useful planning technique if you wish to avoid additional income that would otherwise increase your Social Security tax base and your Ohio taxable income.

Contact your tax or financial advisor for additional information.

Douglas C. Carlson is a partner with Hahn Loeser + Parks LLP.

Print this story

Email this story

News	Features	Community	Life Cycles
Special Sections	Incredible Finds	The Source	
About Us	Archives	Advertisers	Home

Featured Jobs powered by JewishCareers.com

Marketing/Programming Director
 Cleveland, OH
 B'nai Jeshurun Congregation
 Chief Development officer
 Cleveland, OH
 Jewish Family Services
 Sales Assistant
 Cleveland, OH
 Cleveland Jewish News
 Special Events Coordinator
 Cleveland, OH
 Jewish Community Center of Cleveland
 View All Jobs

[More Local Jobs Post](#) [Jobs Post](#) [Your Resume Search](#) [Jobs](#)