



## A Tax-Saving Way to Support 90.5 WESA

If you are 70½ or older, you may make a contribution to 90.5 WESA from your Individual Retirement Account (IRA). It's a smart way to enjoy tax savings and support the mission of public media serving Pittsburgh and nine surrounding counties.

To determine if a **Qualified Charitable Distribution (aka Charitable IRA Rollover)** is right for you, review the information below and consult your tax professional.

There are a variety of ways you may direct this gift. Consider designating a gift of \$2,500 or more to **90.5 WESA's News Excellence Fund** – a special initiative designed to ensure free access to trusted, nonpartisan, independent news produced by 90.5 WESA and our collaborative news partners. You may also choose to designate your philanthropic gift of \$10,000 or more to support a specific content area, program, or a special event. You may also choose to offer your donation as a challenge or match to spark greater listener support during an on-air drives.

To discuss this or how a gift from your IRA might benefit WESA, please contact:

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### FREQUENTLY ASKED QUESTIONS

#### **What is a Qualified Charitable Distribution?**

A QCD is a special provision allowing certain donors to exclude from taxable income – and count toward their required minimum distribution – certain transfers of Individual Retirement Account (IRA) assets that are made directly to public charities, such as 90.5 WESA / Pittsburgh Community Broadcasting Corporation.

## How does this help me?

Qualified Charitable Distribution (aka charitable IRA rollover) is an easy way to use IRA assets during lifetime to make charitable gifts.

- **RMD:** Your donation will count towards your required minimum distribution for the current year.
- **Tax Savings:** You can **exclude up to \$100,000** of this gift from your federal gross income — resulting in lower taxable income and possible tax savings (A \$200,000 exclusion may apply for taxpayers who are married and filing a joint return).

*Tip:* This tax savings is especially valuable to donors who are non-itemizers and donors who have reached their limit on itemized charitable deductions.

## What gifts qualify for a charitable IRA rollover or QCD?

A gift that qualifies, technically termed a “qualified charitable distribution,” must be:

- Made by a donor age 70 ½ or older at the time of the gift.
- Transferred from a traditional or Roth IRA directly to a permissible public charity.
- Between \$100 and \$100,000 per IRA holder per year. It will count toward your required minimum distribution.
- Transfers must be completed by December 31 to count for the same tax year.

## Is there a limit on the amount that can be given?

Yes, there is a limit. An individual taxpayer's total charitable IRA rollover gifts cannot exceed \$100,000 per tax year.

## What about the required minimum distribution?

If you have not already taken your required minimum distribution in a given year, a qualifying rollover gift can count toward satisfying this requirement.

## Is an income tax deduction also available?

No. The gift would be excluded from income, so providing a deduction in addition to that exclusion would create an inappropriate double tax benefit.

## Why are Roth IRAs included? Aren't withdrawals from a Roth IRA tax-free?

Withdrawals from a Roth IRA may be tax-free only if the account has been open for longer than five years or if certain other conditions apply. Otherwise, withdrawals are taxed as if they came from a traditional IRA. Therefore, certain Roth IRAs could benefit from a charitable IRA rollover.

**Can other retirement plans, such as 401(k) and 403(b) accounts, be used?** No. However, it may be possible to make a tax-free transfer from such other accounts to an IRA, from which a charitable rollover can then be made.

**Can a gift be made to any charity?**

No. Excluded are:

- Donor advised funds
- Supporting organizations
- Private foundations

**Who can benefit from using a Qualified Charitable Distribution to make a gift?**

- People with significant assets in an IRA.
- People who make gifts that are large, relative to their income. Because a charitable rollover is not included in the taxable income, it does not count against the usual percentage limitations on using charitable deductions.
- People who have so few deductions that they choose not to itemize.

**Can a rollover gift be used to fund a charitable remainder trust or charitable gift annuity?**

No. The donor can receive no benefits in return for the gift. This includes life income plan payments.

**Are there any benefits that a donor can receive?**

The only permissible benefits from a Qualified Charitable Distribution are those that would not reduce the tax deduction for which the donor would have otherwise qualified.

**What if a withdrawal does not meet the requirements of a Qualified Charitable Distribution?**

It simply will be included in taxable income as other IRA withdrawals currently are.

**Is Qualified Charitable Distribution right for everyone?**

While this is a great option, other types of gifts may provide donors with more tax benefits. *As with any gift planning question, donors should consult their tax professionals for specific advice.*

**If I made Qualified Charitable Distribution in another tax year, can I do this again for the current tax year?**

Yes. Even if you and your spouse both made the maximum \$100,000 charitable IRA rollover gift to a qualifying charity during one or more previous years, you can still take advantage of this legislation again for current tax year.