



The Pension Protection Act of 2006

The Pension Protection Act of 2006 offers good news to both donors and charities. Through 2007, you can make charitable gifts directly from your IRA without incurring income tax on the withdrawal.

Details

- Donors must be 70 ½ or older
- Maximum gift per taxpayer in any one year is \$100,000
- Opportunity applies to 2006 and 2007 tax years only
- Gifts must go directly from the IRA to qualified charities – contact your plan trustee for information on how to initiate the transfer
- Gifts may not go to donor advised funds, private foundations, charitable lead trusts or life income gifts such as charitable remainder trusts, pooled income funds, or charitable gift annuities
- Charitable transfer will count toward minimum required distribution for the donor's IRA account
- No charitable deduction may be associated with the gift

Who will benefit?

- Donors who are required to take mandatory minimum withdrawals, but do not need additional income
- Donors who are subject to the 2% rule that reduces their itemized deductions
- Donors who wish to give more than the deductibility limit (50% of adjusted gross income)
- Donors whose major assets reside in their IRAs wishing to make a charitable gift during their life-time
- Donors who choose not to itemize deductions and want to exclude IRA withdrawals as reportable income

Other benefits may be available. Please check with your financial advisor before making any decision based this information.



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