



## MAKING IRA ROLLOVER GIFTS TO ROCKPORT MUSIC

The 2018 tax legislation has increased the standard deduction to such a level that many Americans will likely cease to itemize their taxes, including charitable deductions. However, for donors age 70 ½ or older with funds in individual retirement accounts (IRAs), an excellent tax-planning opportunity exists: the IRA charitable rollover gift. For these donors, making gifts in any amount up to \$100,000 directly from an IRA to qualifying charities has big benefits.

### HOW IT WORKS:

- At age 70 1/2, you are required to start taking your “minimum required distribution” out of your IRA. These distributions are taxable to you.
- If you make a gift directly from your IRA to any public charity, including Rockport Music, this “charitable rollover” counts toward your required minimum distribution but is not taxable to you.
- You don’t receive a charitable deduction for this rollover gift, so there is nothing to itemize. However, you lower your adjusted gross income, which results in a lower tax bill to you.
- Even if you elect to itemize on your taxes, a charitable rollover gift can reduce high-income premium surcharges for Medicare.

### WHAT YOU SHOULD KNOW:

- ✓ To make a charitable rollover gift, you must be at least age 70 ½ or older and transfer funds directly from your IRA to a public charity. (Note: the check from your IRA must be made out to the charity, not you, to qualify.)
- ✓ You can exclude up to \$100,000 (per IRA owner) from income for charitable rollover gifts. Make as many rollover gifts as you wish in any amount to multiple charities as long as the total doesn’t exceed \$100,000.
- ✓ If you have not met your minimum required distribution for the year, a charitable rollover gift can count towards this requirement.
- ✓ If you have already taken your minimum required distribution for the year, you can still make a rollover gift.
- ✓ You can’t receive any benefits for your IRA rollover gift, so it can’t be used for tickets to an event or to create a charitable remainder trust, for example.
- ✓ Other retirement plans such as 401ks, 403Bs, and SEPs cannot be used for IRA charitable rollover gifts. Talk to your financial advisor to see if you should create a traditional IRA so you can take advantage of the IRA charitable rollover gift benefits.

### INFORMATION YOU MAY NEED:

**Rockport Music’s legal name:** Rockport Music, Inc.

**Our Tax ID number:** 22-2479696

### Our address and contact information:

Kathy Urner-Jones, Senior Development Officer  
Rockport Music  
37 Main Street  
Rockport, MA 01966  
Telephone: 978-546-7391 x 132

***This is not intended to be legal or tax advice. Please consult your own qualified advisors.***