

IRA Rollover Update

In 2015, Congress enacted a permanent extension of the IRA charitable rollover. As a result, individuals age 70+ or older can make gifts directly from their IRA to charity in 2016 and beyond.

Benefits of an IRA Charitable Rollover

- Avoid taxes on transfers of up to \$100,000 per person from your IRA to the Pasadena Community Foundation (PCF)
- Satisfy your required minimum distribution (RMD) for the year
- Reduce your taxable income to potentially save on taxes (consult your tax advisor)
- Help further the work and mission of the Pasadena Community Foundation

How an IRA Charitable Rollover Gift Works

1. Contact your IRA plan administrator to make a gift from your IRA to the Pasadena Community Foundation — you may designate a qualified fund at the Pasadena Community Foundation to receive the gift. (Please note that the IRS does not allow IRA gifts to be directed to Donor Advised Funds).
2. Your IRA funds will be directly transferred to PCF to help continue our important work.
3. Please note that IRA charitable rollover gifts do not qualify for a charitable deduction, but the distribution is not included as income.
4. Charitable rollovers can be made from Roth IRAs. However, when the distributions are tax free, it is better to take the distribution and then make a donation to obtain the tax deduction.
5. 401k, 403b, and pension plans are not eligible for the charitable rollover.

Next Steps

Please direct your IRA plan administrator to make a gift to the Pasadena Community Foundation (PCF), a 501c3 public charity, Tax ID # 20-0253310.

Indicate if the gift is for general support or for a specific fund at the Foundation.

Checks should be mailed to:

Pasadena Community Foundation

301 E. Colorado Blvd.
Suite 810
Pasadena, CA 91101