



JAPANESE AMERICAN NATIONAL MUSEUM

TAX-SMART GIVING FROM YOUR IRA

If you need to take your required minimum distribution (RMD) from your IRA, using some of it to make a charitable gift is a tax-smart choice. Starting at age 70½, you can direct a qualified distribution to JANM to satisfy your RMD, and it won't be counted as a taxable distribution.

Why is it tax-smart?

- If you don't itemize on your tax return you can still receive a tax benefit from a charitable distribution since it reduces your taxable income.
- If you don't need or want all of your RMD you can satisfy that requirement with a charitable distribution without adding to your taxable income.

Example: *Suppose Glenn has \$500,000 in an IRA and would like to contribute \$25,000 to a particular charity this year. Glenn can authorize the custodian of his IRA to transfer \$25,000 to the charity. He will not be subject to tax on the \$25,000 distributed to charity. (Glenn does not deduct the \$25,000 gift—he has already received his tax benefit by not paying tax on otherwise taxable income.)*

Here's what you need to know:

- You must be age 70½ or older when the gift is made.
- The gift must come from a traditional IRA or Roth IRA account. (401(k), 403(b), SEP IRA accounts, and other retirement accounts do not qualify.)
- The gift must come directly from your IRA administrator to the Japanese American National Museum.
- The total IRA charitable rollover gifts in any one year cannot exceed \$100,000 per taxpayer.
- The IRA rollover gift can count toward your Required Minimum Distribution (RMD) if you have not already taken your RMD for the year you make your gift.
- The gift from your IRA will not be available as an income tax charitable deduction.
- The gift from your IRA will be excluded from income.
- No goods or services, such as tickets to an event, can be received in exchange for the contribution.

Interested?

We would be pleased to discuss the benefits of making a charitable gift from your IRA, either during your lifetime or at your passing, and how it might work in your particular situation. We can provide sample form letters to simplify the IRA charitable rollover gift process. Please contact **Charlien Church** at **213.830.5676** or cchurch@janm.org.