

INDIVIDUAL RETIREMENT ACCOUNT (IRA)



Jewish Federation
of Northern New Jersey

Use your IRA for easy, tax-wise charitable giving.
For today and tomorrow.



INDIVIDUAL RETIREMENT ACCOUNT (IRA)

Naming Federation as a beneficiary of your IRA or making a Qualified Charitable Distribution to Federation from IRA assets is an easy, tax-wise way to support our vital work *today and tomorrow*.

For Today

Make a charitable gift directly from your IRA. If you are 70½ or older, you may make a Qualified Charitable Distribution to Federation from your IRA. Instruct your IRA administrator in writing to distribute any amount up to \$100,000 per year from your IRA **directly to Federation**. If your spouse is also over age 70½ you each can take advantage of this opportunity.

What are the benefits?

Even if you do not itemize deductions on your income tax return, or you have reached the annual federal ceiling for charitable deductions, a Qualified Charitable Distribution from your IRA to Federation can save you money. Qualified Charitable Distributions are not deductible, but neither are they subject to federal income tax, (except to the extent that you have made deductible IRA contributions after reaching age 70½). If you are required to withdraw funds, your Qualified Charitable Distribution can count toward your annual Required Minimum Distribution.

For Tomorrow

Name Federation as a beneficiary of your IRA. Distributions from your traditional IRA are taxable at ordinary income rates. In addition, with limited exceptions, IRA inheritors other than your spouse must take those distributions within 10 years rather than over their anticipated life expectancy. To spare your heirs what could be a sizable tax bill, name Federation as beneficiary of your IRA and pass other appreciated assets to your loved ones.

What are the benefits?

Federation pays no tax on your IRA distributions, so the full value benefits the community, whereas if you name your heirs as beneficiaries of your traditional IRA, they will owe tax on every withdrawal. If, instead, you leave assets such as appreciated stock or real estate to your heirs, the assets will receive a stepped-up basis, and your heirs will pay no tax on appreciation that accrued during your lifetime.

While you may not distribute your Qualified Charitable Distribution to a Donor Advised Fund, supporting foundation or private non-operating foundation, you may use it to:

- make a current gift to Federation for the Annual Campaign or a special program or project.
- create a Lion of Judah Endowment (LOJE), Perpetual Annual Campaign Endowment (PACE) or Pomegranate Endowment (POME).
- establish a special endowment fund to support a cause you care about.

This material is presented for informational purposes only and should not be construed as legal, tax or financial advice. When considering gift planning strategies, please consult with your own legal and tax advisors.

