



## CONTRIBUTIONS FROM RETIREMENT ASSETS

The Consolidated Appropriations Act of 2016 (IRA Charitable Rollover) made permanent the provision that allows persons to make direct tax-free donations from their Individual Retirement Accounts to qualified charitable organizations such as the Barrington Library Foundation's *Barrington Library Campaign*.

Most people, once they reach age 70½, are required to take yearly minimum distributions from their retirement plans according to a federal formula. Ordinarily, withdrawals from retirement accounts are included in the individual's gross income and are taxed as ordinary income. Charitable gifts from an IRA do not qualify for a charitable income tax deduction, but the IRA charitable rollover counts towards the required annual minimum distribution, and the donated amount is not taxed.

### HOW IT WORKS:

In a nutshell, individuals age 70 ½ and older can make charitable contributions of up to \$100,000 from their traditional IRA and Roth IRA and the amount of the gift will be excluded from their gross income. Married couples, if each person has an IRA, can donate up to \$200,000. The donation also may reduce estate taxes. Your qualified charitable deduction (QCD) can satisfy all or part of your required minimum distribution. Such a gift to the *Barrington Library Campaign* may be a beneficial option for you, if you are 70½\*\* and

- You do not need the additional income from the required annual distribution, or
- You have "maxed out" your charitable donations for the year, yet would like to take advantage of this tax-wise giving option to support the *Barrington Library Campaign*. (IRA rollover gifts do not count toward the 50% of adjusted gross income limitation on charitable cash gifts), or
- You do not itemize deductions. Non-itemizers can take the equivalent of a charitable deduction via the IRA rollover and indicate it on the front page of IRS Form 1040.

Donations from an IRA must be made directly to the charity by the administrator of your retirement account. The sample letters on the next page may be useful as guides for providing instructions to your retirement plan administrator and to notify the Barrington Library Foundation of your intent to make a gift from your IRA. For additional information or if you have questions, please contact Kris Pavlik, Foundation Treasurer, at (603) 749-4654 or [krispav@aol.com](mailto:krispav@aol.com)

\*\*Donors younger than 70½ also can make a withdrawal from their IRA or other type of retirement plan, but must pay income tax on the withdrawal and then donate the proceeds to the *Barrington Library Campaign*. Individuals may also name the Barrington Library Foundation as a beneficiary of their IRA.

As with any significant contribution, the Directors of the Barrington Library Foundation recommend that individuals interested in this giving method should consult with their IRA administrator and/or financial advisors.

*a sample request form to your plan administrator is on next page*

1. **Sample Request from Plan Owner to Administrator for a Charitable Distribution from Individual Retirement Account.**

RE: Request for Charitable Distribution from Individual Retirement Account

Dear Sir or Madam:

Please accept this letter as my request to make a direct charitable distribution from my Individual Retirement Account (Account Number) as provided by the Consolidated Appropriations Act of 2016.

Please issue a check in the amount of \$\_\_\_\_\_ payable to the *Barrington Library Campaign* and mail it to the address below:

Barrington Library Foundation  
*Barrington Library Campaign*  
P.O. Box 44  
Barrington, NH 03825  
attn: Kris Pavlik

In your transmittal to the charity, please provide my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal.

If you have any questions or need to contact me, I can be reached at (telephone). Thank you for your assistance in this matter.

Sincerely,  
(Plan Owner)

**2. Sample Letter from Donor Informing the Barrington Library Foundation of a Forthcoming Qualified Distribution from Administrator**

Dear Ms. Pavlik:

It is my pleasure to inform you that I have requested a qualified charitable distribution from my Individual Retirement Account payable to the Barrington Library Foundation's *Barrington Library Campaign* in the amount of \$\_\_\_\_\_ from my plan trustee/administrator (name of trustee/administrator).

Upon receipt of payment from my trustee/administrator, please send me a written acknowledgement that states the amount of my gift, verification that no goods or services were transferred to me by your organization in consideration of this gift, and that my donation will not be used to fund any life-income plan which is prohibited.

If you have any questions or need to contact me, I can be reached at (telephone).

Sincerely,  
(Donor)

***The Time Has Come!***