



Make a Charitable Gift through an IRA Charitable Rollover

Normally, a distribution from your IRA is taxed as ordinary income. However, federal tax legislation enacted December 2010 allows you—for the remainder of 2011—if you are 70½ or older to make a direct gift from your IRA to Bishop Chatard High School another qualified charity without the distribution taxed as income to you.

The IRA charitable rollover law may provide a very good charitable giving vehicle if you are age 70½ and take the standard deduction rather than itemize deductions on your tax return. The law also may reduce the tax impact on your Social Security benefits. Your IRA could be considered a special resource for distributions to Bishop Chatard High School and charities without the normal consequences of reporting additional taxable income.

The distribution must be from your IRA, *not* a 401(k) or other retirement plan. *Do consult* with your financial or tax advisor about the possibility of transferring funds from one of these other plans to establish an IRA, with the distribution to charity coming from the newly established IRA.

The IRA distribution must be a direct charitable gift and *not* a distribution to a charitable gift annuity or a charitable remainder trust.

To take advantage of the IRA charitable rollover to support Bishop Chatard High School, please review the following helpful tips on how to correctly handle your charitable gift:

- Contact your IRA custodian or representative—*before* making a gift—to arrange for the proper transfer of funds from your IRA directly to Bishop Chatard High School or other qualified charities. The check issued from the IRA must be made payable to the charity.
- If you have elected to have income tax withheld from your normal IRA distributions, advise your IRA administrator not to withhold taxes from distributions to charity.
- Allow for plenty of time to process the gift as it may take longer than anticipated.
- While this topic is fresh on your mind, ask your attorney and financial advisor how to make Bishop Chatard High School a beneficiary of your will, trust or IRA.

For more information about how you and Bishop Chatard High School benefit from an IRA charitable rollover, please contact Nicole Beasley, Vice President of Institutional Advancement at 317-258-4614 or nbeasley@bishopchatard.org.

These helpful tips are only for your information regarding this change in the IRA law and are not to be considered as legal, tax or financial advice. You should consult with your legal, tax and financial advisors to implement the benefits of the IRA charitable rollover law and related matters.