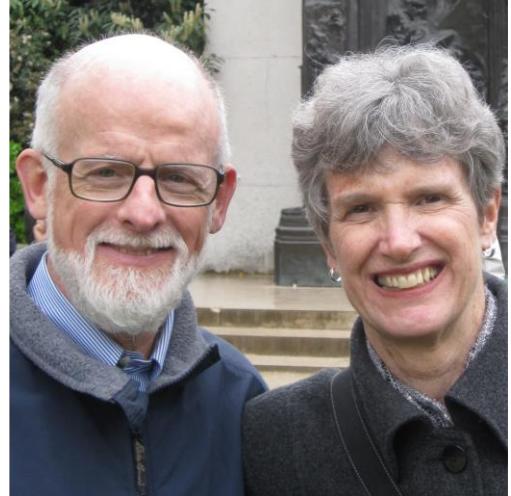


## IRA Charitable Rollover

Throughout our forty-five year marriage Susan and I have supported our undergraduate colleges (Williams and Smith) with equal annual donations to the respective Alumni Funds. We valued our college experiences and wanted to help future generations have the same educational opportunities we enjoyed. This past year we both hit that magical number which necessitated a required minimum distribution (RMD) from our IRAs. Fortunate enough to not need IRA funds for our retirement, and wanting to make a significant contribution towards our 50th Reunion class gift purposes while still supporting the Alumni Fund, we found the IRA Charitable Rollover the perfect vehicle to meet our goal. We have committed to using this mechanism for the next five years as we sustain our support for the colleges. The transfer from your IRA to Williams is easy, and the Williams Gift Planning Office staff is very knowledgeable and helpful.



David '68 and Susan Eblen

### Gift Parameters

- If you are at age 70½ or older, and are the owner of a Traditional IRA (or inherited Traditional IRA), and do not need all or part of your required minimum distribution, you can make tax-free IRA contributions directly to qualified public charities, such as Williams.
- Each age-eligible IRA owner can transfer up to \$100,000 tax-free per tax year.
- Your IRA gift must be complete on or before December 31 of the calendar year in which you choose to utilize the IRA Charitable Rollover gift vehicle for tax purposes. Generally, if sent by US mail, the postmark determines the date of a charitable gift; if sent via cash wire, the date of a charitable gift is typically determined by the date the funds reach Williams' account.
- The check must be made payable directly to Williams College.
- You can only make outright gifts. The IRA Charitable Rollover cannot be used to fund life income gifts (such as charitable gift annuities or charitable remainder trusts).

### Advantages

- The transfer process is quick and requires minimal paperwork.
- You can count your gift towards your annual required minimum distribution.
- Your distribution is not recognized as income on your federal income tax return, and therefore not eligible for a federal income tax charitable deduction.
- Some donors save on state income taxes.
- Donors who do not itemize their federal deductions will save taxes.

- Keeping your IRA distribution out of your adjusted gross income (AGI) may save you taxes in certain situations.
  - Some donors with high AGIs can save when: a) subject to alternative minimum tax (AMT) b) itemized deductions or personal exemptions are limited/phased out and/or c) subject to 3.8% healthcare surtax on investment income.
  - Some donors with low AGIs can save on a) Social Security taxes and/or b) Medicare premiums.

## Cautions

- Employer-sponsored retirement plans, such as SEP IRAs, SIMPLE IRAs, 401(k)s, and 403(b)s are generally not eligible for the IRA Charitable Rollover.
- While the IRS permits IRA Charitable Rollover gifts from Roth IRAs, using a Roth IRA eliminates many of the tax advantages of the charitable distribution – if you don't have a traditional IRA, it may be better to withdraw funds directly from your Roth account, make a gift and take a charitable deduction. Consult your financial or tax adviser for advice.
- Most (but not all) states exclude IRA Charitable Rollover gifts from income for state and local tax purposes.

## How to Make Your Gift

- **By CHECK**

Instruct your IRA administrator to mail a check directly to Williams (payable to Williams College) to: Manager of Gift Administration, Williams College, 75 Park Street, Williamstown, MA 01267. The College's Tax-Exempt ID number is 04-2104847.

Please make sure that your administrator encloses a letter along with your check stating: your name; the purpose of your gift (e.g. Alumni Fund); and notes that it is a qualified charitable distribution from your IRA. This information can also be stated in the memo line of your check.

- **By CASH WIRE**

If your IRA administrator prefers to make a cash wire transfer from your retirement account to Williams, please fill out the wire transfer letter (<https://giving.williams.edu/outright-cash-wire-transfers/>) and ask him/her to contact the Williams College Controller's Office at: [securities@williams.edu](mailto:securities@williams.edu) or (413) 597-4118.

### Questions:

Office of Gift Planning  
E-mail: [gift.planning@williams.edu](mailto:gift.planning@williams.edu)  
Phone: 413-597-3538  
Toll free: 877-374-7526  
Web: [giftplanning.williams.edu](http://giftplanning.williams.edu)

*Williams College does not provide legal or tax advice. Please consult your own legal and tax advisors in connection with gift and planning matters.*