

IRA Charitable Rollover

Our gift to the Beatrice H. Stone Scholarship gave us an opportunity to achieve a personal trifecta. First, it supports Williams, which has enriched the lives of four generations of my extended family, including our son, Andrew '05. Moreover, I would never have met my English wife had I not studied at Oxford on a Williams post-graduate scholarship. Second, the gift enabled me to honor Beatrice H. Stone, my grandmother, and her second husband, Jacob C. Stone, Class of 1914. And third, the scholarship provides financial aid, which is aligned with our class gift in helping future generations attend a remarkable institution. Making our 50th reunion gift through an IRA Charitable Rollover was a tax-efficient way of optimizing the amount we were able to contribute.



Greg '69 and Sue Marks

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) and/or b) 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. 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 or (413) 597-4118.

Questions:

Office of Gift Planning
E-mail: gift.planning@williams.edu
Phone: 413-597-3538
Toll free: 877-374-7526
Web: 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.