

Tax Advantages of IRA Charitable Contributions

If you are age 70½ or older, you may be able to take advantage of an important incentive for charitable giving. Congress recently passed into law the [Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010](#) which allows you to make a gift free of federal taxes to Shelter Network through a direct transfer from a traditional Individual Retirement Account (IRA). This means you may be able to improve your overall tax situation and, at the same time, help Shelter Network assist homeless families and individuals to return to self-sufficiency.

To benefit from the tax-savings through a charitable IRA contribution, the following must be true:

- the gift was made in 2010 **or** 2011
- the IRA holder is age 70½ or older
- the gift totals \$100,000 or less each year
- and the funds transfer is made directly from the IRA plan provider to the charity.

The charity receiving the gift must be eligible to receive tax-deductible contributions and is not a section 509(a)(3) [supporting organization](#). (Shelter Network meets these requirements.)

Another benefit of the recently enacted legislation is the flexibility. It allows charitable distributions made from an IRA in January 2011 to be declared as 2010 gifts if the IRA holder so desires. As a result, you can make a contribution today and enjoy the tax benefit this year.

Charitable giving through an IRA is becoming an option of choice for many donors. We hope you will take advantage of the important incentives it can provide. To learn more or for information about making a gift from your IRA to Shelter Network, please contact Amy Wright, Major Gifts Director, at (650) 585-5880 or awright@shelternetwork.org.

Note: The above information is provided for informational purposes only and is not intended to serve as legal or tax advice. For specific information about provisions of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 affecting charitable contributions, please consult your tax adviser or attorney.