



IRA CHARITABLE TRANSFERS

Updated as of 10/3/08

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Thank you for your interest in and support of PlayGround. We want to be sure that you are aware of some important legislation that may offer you a more cost-efficient way to give or, perhaps, even increase your giving this year.

The Emergency Economic Stabilization Act of 2008, signed on 10/3/08, renews the provision enabling holders of IRAs who are at least 70½ years old to make direct charitable transfers up to \$100,000 per year to a 501(c)3 organization (such as PlayGround) with no tax implications.

While we recognize that you may not fall within these eligibility guidelines, we encourage you to share this information with those who are. These gifts will be tax neutral (no income tax on the withdrawal and no tax-deduction). Prior to this provision, contributions from IRAs were treated as income, which often resulted in boosting the donor into a higher income tax bracket.

The great benefit of this provision is that contributions will count as a part of the IRA holder's minimum distribution amount; previously, an account holder who did not need the annual minimum distribution for living expenses would be required to take the distribution and, as a result, would be taxed on it. Now, the distribution can be contributed and no tax will be due; the account holder's effective net cost will be the contribution less the tax saved.

If you are considering taking advantage of this new provision, please keep the following in mind:

- Only IRAs qualify for the rollover.
- Donors with other qualified retirement plans may be able to roll them over to an IRA and then use the IRA rollover to make a gift.
- The contribution cannot be made into a split interest giving vehicle (i.e. Gift Annuity, Charitable Remainder Trust and Pooled Income Fund), support organization or a donor advised fund.
- Total contributions of up to \$100,000 may be made prior to the end of 2008. This limit also applies to 2009. There is no carry forward of unused allowed amounts.

Please note that this is general education information and is not to be considered as advice based on knowledge of your situation. Please consult with your tax advisor or accountant about this IRA Rollover Provision.

To learn more about how to make a contribution to PlayGround using this incentive, please contact Artistic Director Jim Kleinmann at (415) 704-3177 or jim@playground-sf.org.