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FOR IMMEDIATE RELEASE

Charitable Giving Through IRA Funds Offers Tax Benefits

For the next 14 months, qualified donors over age 70 ½ have added incentive to make a charitable gift.

The Community Foundation of Southeastern Massachusetts (CFSEMA) wants the community to know about the Pension Protection Act of 2006, recently signed into law by President Bush. The Act allows individuals to rollover up to \$100,000 per person, per year for 2006 and 2007, from an Individual Retirement Account (IRA) to a qualified charity without recognizing the transferred assets as income. Donors thus can avoid paying federal and Massachusetts income tax on the assets.

By December 31, 2006, qualified individuals can make a gift of up to \$100,000 by transferring IRA assets to the charity of their choice. They can transfer an additional \$100,000 between January 1 and December 31, 2007. This benefit is available to individuals whether or not they itemize their tax deductions. In addition, the donations are not limited by adjusted gross income percentages.

Distributions to private foundations and donor-advised funds held by public charities are not considered “qualified charitable distributions” for tax purposes.

“Distributions to all other types of Community Foundation funds — such as scholarship, field-of-interest, and designated funds – do qualify,” however, said CFSEMA Treasurer Mary Louise Nunes, CPA. “Donors can use these assets to establish permanent endowments at our Community Foundation in their name for the causes of nonprofits they care about.

“If you’re thinking about a charitable legacy or have designated your favorite charity as beneficiary of your retirement assets, we encourage you to consult with your professional advisors about an IRA rollover gift and to call us with any questions,” Ms. Nunes added.

Designated Funds are ideal for the donor who wishes to provide annual support to one or more designated charitable organizations in perpetuity. For many, this is a way to endow their annual giving to organizations they have supported over the years. Field-of-Interest Funds appeal to people who prefer to direct their contributions for specific areas of interest or concern such as support for the homeless, public education, or the performing arts. There is a \$250,000 minimum to establish a Field-of-Interest Fund.

CFSEMA currently has 19 scholarship funds worth \$2.8 million. With a minimum gift of \$10,000 a donor can establish a Scholarship Fund that will remain as a permanent endowment in the Foundation.

About the Community Foundation

Since 1995, area residents have been turning to the Community Foundation of Southeastern Massachusetts to make their philanthropic giving as effective as possible. With assets of more than \$15 million, the Foundation is a public charity serving thousands of people who share a common concern – improving the quality of life in Southeastern Massachusetts.

Individuals, families, businesses and organizations create permanent charitable funds that help our region meet the challenges of changing times. The Foundation invests and administers these funds (there are currently 66), and uses the distributions to award grants each year to many of the humanitarian, educational and cultural organizations in the region. More information about the Foundation can be found at www.cfsema.org.