Consider Trinity When You Have to Take Retirement Distributions

Assuming you will not need all of the money in your retirement plan for living expenses, your retirement fund may be the best source of your charitable gifts. On February 12, 2015 the House passed legislation (H.R. 644) that made permanent the IRA charitable donation rule. If you are over the age of 70½, you can authorize your IRA administrator to make a direct transfer from your IRA to Trinity and other charities while you are still living. Such gifts are often referred to as "lifetime" gifts. The amount you transfer (up to $100,000) will not be taxed and will count toward your mandatory distribution.

Whether or not you make lifetime charitable gifts from your IRA, you can make ***end-of-life*** gifts not only from an IRA but from any defined contribution plan—401(k), 403(b), etc.—simply by naming Trinity as a beneficiary of whatever portion that may remain.

Where retirement funds (other than a Roth IRA) will be subject to income tax if given to individuals, they escape income tax if given to a charity such as Trinity. If you have waited as long as possible to start withdrawals and are taking out only the minimum, the chances are that the balance in your fund at the end of your life will be significant.

In fact, that balance could continue to grow until your mid-80s, when the mandatory distribution percentage may be higher than the annual investment return. In that case, leaving a modest percentage to Trinity will have minimal impact on your loved ones.

For more information, seek the counsel of your financial advisor or speak with a representative of the company that holds your retirement account.

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