

Donating from Your IRA *The Charitable IRA Rollover*

We are very excited to bring you some very beneficial tax advantages. The ***Protecting Americans from Tax Hikes Act of 2015*** has a provision allowing you to donate tax-free up to \$100,000 per year from your IRA to Notre Dame College Prep. This provision allows donors to transfer money from their IRAs directly to NDCP, without having to recognize the transfer as taxable income. This is called the IRA Charitable Rollover.

IRA Charitable Rollover Q and A:

What are the tax implications/advantages?

IRAs are some of the highest taxed assets while you are living and when they become part of your estate. In an IRA when you distribute funds you usually pay federal and state income taxes. They are similarly taxed when they become part of your estate. Depending on the total value of your estate, your IRA could be taxed more than 60% once you pass away. ***But...you do not have to pay any taxes on the funds you distribute right to charity now or as part of your estate.***

Note: Donors do not receive an income tax charitable deduction because the funds being donated are tax-free already. Donors should consult their tax advisors about their specific situations.

Who can take advantage of this Charitable IRA Rollover?

IRA owners who are at least 70½ years of age at the time that the contribution is made can take advantage of this provision.

Are there limits to the amount I can transfer to charity?

You can transfer up to \$100,000 each year to the charity of your choice.

Can the transfer qualify as my required minimum distribution (RMD)?

All individuals over the age of 70½ are required to make a minimum distribution from their IRA each year. Yes, this type of distribution can count towards the required minimum distribution (RMD).

Who should consider a Charitable IRA Rollover?

The candidates who can maximize the benefits of this type of donation vehicle are:

- Those who intend to leave an IRA for heirs and would like to avoid a triple tax
- Those who do not want the government to benefit from their lifetime of hard work
- Those who may not need IRA distributions to meet current living expenses

If I decide to donate, how would I go about making a charitable donation from my IRA?

Your tax or financial advisors should be able to help you execute a donation. If you need additional guidance, this attached letter can be sent to your IRA plan provider.

If you find that you may want to consider making a gift from your IRA, please feel free to contact us for more information or to discuss the benefits.

Dick Allegretti '73

Director of Major Gifts

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**Sample Letter of Authorization
from Donor to IRA Plan Provider
For Charitable IRA Distribution**

DATE

NAME OF IRA PLAN PROVIDER

ADDRESS

CITY, STATE ZIP

Letter of Authorization: Request for Direct Charitable Distribution from IRA

To Whom It May Concern:

This letter serves as my request to make a direct charitable contribution from my IRA (Account Number _____). According to the provisions of the *Protecting Americans from Tax Hikes Act of 2015*, I am able to make this donation directly to the 501(c)(3) charity of my choice. Please issue a check in the amount of \$_____ payable to **Notre Dame College Prep** at the following address:

Notre Dame College Prep
Institutional Advancement Office
7655 West Dempster Street
Niles, Illinois 60714

I have attached the appropriate tax exemption paperwork that may be needed to verify Notre Dame College Prep's tax-exempt status.

IF MAKING AS PART OF AN RMD INCLUDE THIS LINE: Please make note on my account that this donation should count towards or fulfill my required minimum distribution for 2016. It is my intention to make this donation in the 2016 tax year. Therefore, it is very important that you postmark this distribution no later than December 31, 2016.

In your transmittal to Notre Dame College Prep, please copy me and supply the charity with my name and address as the donor of record for this transfer.

If you have any questions, you can reach me at TELEPHONE or EMAIL ADDRESS. Thank you for promptly addressing this matter and for your assistance with making my donation.

Sincerely,

FULL LEGAL NAME OF DONOR

ADDRESS

CITY, STATE ZIP