

Congress Extends Giving Opportunity

Congress recently passed The Emergency Economic Stabilization Act of 2008 (EESA). Part of the EESA gives donors that are at least age 70 ½ the ability to make charitable gifts directly from their IRA's (Individual Retirement Arrangement) to qualified charities, such as your church and Vitae, without having to recognize the distribution as taxable income. Some of the highlights include:

- The donor must be at least age 70 ½ on the date of distribution to the charity.
- The gift from the IRA may be applied to satisfy the owner's required minimum distribution (RMD).
- The gift must be made directly from a traditional or Roth IRA to a qualified organization and may not exceed \$100,000 per year. **Couples with separate IRA's can each give up to the \$100,000 maximum.** Please note *The Charitable IRA* does not apply to distributions from accounts in other types of retirement plans such as a 401(k) plan, SEP and SIMPLE IRA's.
- *The Charitable IRA* applies only to outright gifts from the IRA made in 2008 and/or 2009. This means the donor may not retain any interest in the gift nor receive any benefit such as with a gift annuity. The donor may only restrict the gift in a way they have no advisory rights such as endowments and scholarships.
- The distribution is not treated as taxable income to you. This means you will not pay taxes on the amount transferred to a qualified charity. Therefore, you will not receive a charitable deduction for those same dollars.

To take advantage of this giving opportunity for 2008, I encourage you to contact your IRA custodian soon and not wait until year end. This extended giving opportunity is scheduled to end on December 31, 2009 unless extended or made permanent.

Since this gift-giving opportunity does not increase the taxable income of the donor, individuals who do not itemize on their tax returns benefit the same as those who do itemize. It also benefits those who may be concerned with the negative impact of additional IRA income on their tax return. Additional income may reduce what you can deduct and increase the taxation of Social Security benefits.

Mark Kleene, Special Gifts Director would be glad to answer any questions you may have regarding this extended giving opportunity. You may call him at 800-393-5791 or 573-634-4316 or contact him via e-mail at markk@vitaecaringfoundation.org.

As Vitae does not provide legal or tax advice, you should consult your tax advisor before implementing any gift-giving opportunities.

Thank you for being a part of Vitae. Together our plan to ensure the sanctity of life will be fulfilled.