

How To Help

Be an advocate for H.R. 1337 *Legacy IRA Act* and help us to pass this important legislation. Below are a number of ways in which you can support this important legislation to benefit non-profits in your district and across the country.

Call your Congressional Rep/Senator: Personal contact by constituents with their legislators has the most impact. Calls or visits from representatives of significant institutions and charities in their district will quickly get a legislator's attention and more thorough review of the bill.

Get others in your institution and community to make contact as well: If you have a government relations department, be sure to inform them of this initiative and ask how they can become involved. If your organization is part of a local council association, or community group, inform them of how they can assist.

Have a donor contact his/her representative: There is nothing more compelling than someone telling how they donated to an organization through the IRA Rollover and what it has meant to them.

Donate to the Initiative: Though led by volunteers, the Initiative expends donated monies lobbying in Washington DC., conducting presentations in various regions of the country, etc. Thank you for sending your contribution to the below address, or contact our Secretary for additional details:

Charitable IRA Initiative
815 Medary Ave.
Brookings, SD 57006
Phone: 605-695-6235



Leadership 2017

President: [John S. Pierce](#) (218.299.3452)

Sr. Gift Planner, Concordia College, Moorhead, MN

Vice President: [Michael Kenyon](#)

President and CEO,

Nat. Assoc. of Charitable Gift Planners; Indianapolis, IN

Secretary: [Marc Littlecott, CAP®](#), CGPP

marc.littlecott@sdstatefoundation.org

Director of Gift Planning, SDSU Foundation,

Brookings, SD

Treasurer: [Sr. Georgette Lehmoth, OSF](#)

President and CEO, National Catholic Dev. Conf.,

Washington, DC

Board of Directors

[Lon P. Dufek, CPA, CFP](#)

Senior Director, Office of Gift Planning

Providence Foundations, Lake Oswego, OR

[Frank Minton, PhD](#)

Frank Minton Consulting, LLC

Lake Forest Park, WA

[A. Charles Schultz, JD](#)

President, Crescendo Interactive, Inc.

Camarillo, CA

[James C. Soft, CFP, MA, MS](#)

President Emeritus, Yellowstone Boys & Girls Ranch

Foundation, Billings, MT

Pro Bono Counsel: [Conrad Teitell, JD, LLM](#)

Chairman, Charitable Planning Group,

Cummings & Lockwood LLC, Stamford, CT

The Charitable IRA Initiative



Advocating Passage
of the *Legacy IRA
Act*; H.R. 1337

**Legislation
Whose Time Has
Come**

815 Medary Ave.
Brookings, SD 57006
Phone: 605-695-6235

www.charitableira.org

What is the Charitable IRA Initiative?



The mission of the Charitable IRA Initiative is to promote philanthropy through the use of personal IRA assets to fund outright and life income gifts by convincing Congress to enact permanent legislation authorizing the transfer of IRAs to charity.

Our Effort: For several years Conrad Teitell and his “Rollover Rangers” have staged a small but successful effort to keep the IRA Rollover before the Congress on an ongoing basis. Their efforts have provided the motivation for the annual extensions of the 2006 legislation. Earlier in 2015 the group added significant additional professional leadership and took the name “Charitable IRA Initiative.”

Our Partners:

American Council on Gift Annuities

National Assoc. of Charitable Gift Planners

National Catholic Development Conference

Tax-Exempt Status: We are organized as a 501(c) (4) for the purpose of lobbying for the enactment of specific legislation. Our goal is to have the IRA Rollover (now permanent) to apply to both outright gifts and life income agreements. The involvement of charitable organizations and their donors in promoting broad based support is essential to this effort.

If your organization is in support of our efforts, please email our Secretary (see back panel) to learn more about partnership opportunities or to make a donation.



THE LEGACY IRA ACT

An Analysis by Conrad Teitell, JD, LLM

The *Legacy IRA Act (H.R. 1337)* was introduced on March 2, 2017 by Kevin Cramer (R-ND) and House Ways and Means cosponsors Earl Blumenauer (D-OR), Erik Paulsen (R-MN), Kristi Noem (R-SD) and Pat Tiberi (R-OH).

Current law. Individuals age 70½ or older can make direct (outright) gifts from an IRA of up to \$100,000 per year to public charities (other than DAF’s and supporting organizations) and to private operating and pass-through (conduit) foundations without having to report the IRA distributions as taxable income on their federal income tax returns. A charitable deduction isn’t allowable.

First enacted in 2006, this law was made permanent by the PATH Act of 2015. Direct IRA rollovers have helped American charities feed the hungry; and provide education, medical services, housing assistance, and myriad other services that Americans need.

The expansion in the Legacy IRA Act authorizes tax-free IRA rollovers for gifts that benefit charities and provide taxable retirement income—charitable life-income plans—for the donors. At the donor’s death, the assets in the plan are owned outright by the qualified charity. Charitable deductions aren’t allowable for amounts transferred to the life-income plans (charitable remainder trusts and charitable gift annuities).

Features of H.R. 1337

***Annual ceiling on transfers** from a donor’s IRA for a life-income plan: \$400,000, for individuals 65 or older. For individuals 70½ or older, the combined ceiling for direct and life income transfers from their IRAs is \$400,000, with a \$100,000 cap for direct transfers.

***Satisfaction of Required Minimum Distributions.** The types of life-income plans assure that the annual taxable payments will generally be equal to (or greater than) what individuals must receive under the required minimum distribution rules had they kept the funds in their

IRAs instead of rolling them over for charitable life-income plans.

***Minimal revenue cost to the government.** Under the authorized life-income plans, the IRA owners will be taxable on income received at ordinary income tax rates. Because the payouts are 5 percent or more, there generally will be more income paid from the charitable life-income plans than under the normal minimum required distribution rules. The only authorized income beneficiaries of the life-income plans are the individual IRA owner, his or her spouse or both of them. At death, the assets in the plan go directly to the named qualified charity/ies and not to family members.

Question: Why wouldn’t IRA owners just give outright to charity (direct gifts) from their IRAs as provided under the now permanent law? Many IRA owners want to make charitable gifts, but also need retirement income. The life-income IRA rollover is a way for donors of average resources to combine charitable gifts with retirement income. Many charities have donors “standing by” to make life-income charitable gifts from their IRAs.

***This is a Middle Class Charitable IRA Rollover.** It allows average Americans (who meet the minimum age requirement) not just wealthy taxpayers to benefit charities.

***Four-year trial** for Life-Income Charitable IRAs. The provision wouldn’t be permanent but be for a four-year trial period. That provides adequate time to determine the expansion’s efficacy.

***Cost.** The bill’s cost, according to the Joint Committee on Taxation, would be only \$106 million over 10 years. This is a small fraction of the money that charities will receive as a result of enactment.