

The Charitable IRA Rollover Frequently Asked Questions (FAQ)

SD OPERA

Q: What is the Charitable IRA Rollover?

A: The charitable IRA rollover, or qualified charitable distribution (QCD), is a special provision allowing donors age 70½ and older to exclude from taxable income – and count toward their required minimum distribution (RMD) – certain transfers of IRA assets that are made directly to charities, including San Diego Opera.

Q: How do I know if I qualify?

A: Starting at age 70½, anyone who has an IRA may make a gift of any amount up to \$100,000 from their retirement account without paying any income tax on the distribution.

Q: If I make a gift from my RMD, can my spouse also make gifts?

A: Couples with separately-held IRAs may gift up to \$100,000 each for a total of up to \$200,000.

Q: May I make gifts to more than one charity?

A: Yes, as long as the total does not exceed \$100,000 or your total RMD amount for the year, whichever is lower.

Q: How do I make the gift(s)?

A: Your gift(s) must come directly from your IRA to the charity. Check with your IRA plan provider to find out how to request a charitable distribution—in many cases it may be as simple as filling out a form online or making a phone call. The distribution will be reported as non-taxable income on your IRS Form 1099-R when you file your taxes.

Q: When should I make an IRA rollover gift?

A: Any time! As long as you have not already received your RMD for the year, you may elect to utilize the QCD option to satisfy your required minimum distribution and realize the tax savings.

Q: May I purchase gala or performance tickets with an IRA distribution?

A: No. In order to be excluded from income tax, you may not receive any tangible benefits.

Q: I've made some big gifts this year and have already “maxed out” my charitable deductions (the IRS allows deductions for charitable gifts up to 60% of adjusted gross income). Have I missed out on this opportunity?

A: NO. The IRA Rollover is separate from the standard charitable deduction, so you may utilize both options for maximum tax benefits.

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