



UNIVERSITY OF HAWAII FOUNDATION

Emergency Economic Stabilization Act of 2008

On October 3, 2008 President Bush signed the Tax Extenders and Alternative Minimum Tax Relief Act of 2008, which extended an excellent charitable planning opportunity for 2008-2009.

If you are over 70½, you are eligible to make an IRA charitable rollover up to \$100,000 per year to public charities like ours. And the good news is that your IRA distribution to charity will be similar to other IRA rollovers -- it will not be included in your Federal taxable income.

While there is no added deduction for an IRA charitable rollover, avoiding up to \$100,000 of taxable income may save substantial income taxes not otherwise available. An added bonus is that your IRA charitable rollover this year will qualify for all or part of your required IRA minimum distribution.

Who may want an IRA rollover? Charitable IRA rollovers will be popular for at least five reasons:

1. Convenience – It is a very simple and easy way to make a gift.

2. Standard Deduction Benefit – With an IRA charitable rollover, you may take the standard deduction. Since the IRA rollover is not on your return, it may reduce your taxes.
3. Lower Tax on Social Security – Because of an IRA distribution, you may be paying tax on 85% of your Social Security. Using the IRA charitable rollover may lower your income and only 50% of Social Security is taxable.
4. No Giving Limits – With an IRA charitable rollover, you may give more than the usual deductible amount of 50% of income.
5. Lower Income Level Saves Tax – Persons with higher incomes often lose part of their charitable deductions and other tax benefits. Using an IRA charitable rollover for part or all of your IRA required distribution may lower your income and save taxes.

To make a 2008 gift from an IRA, you should contact your IRA trustee or custodian as soon as possible – preferably before receiving any required minimum distributions.

Transfers for 2008 must be completed by December 31, 2008.

For more information, please contact:

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