

[Add to TPC Website – “Stewardship” Tab (with a link to the sample IRA transfer letter for download)]

Tax-Free Charitable IRA Donations – Frequently Asked Questions:

Recently Congress¹ encouraged additional charitable giving by individuals, age 70-1/2 or older, who would like to make gifts directly from their IRA accounts to Towson Presbyterian Church (TPC) in 2008 and/or 2009 up to \$100,000 per year, per IRA owner.

- **Who is eligible to make a tax-free charitable IRA donation to TPC in 2008 or 2009?**

If you have attained age 70-1/2 by the date of your contribution and you own a traditional or Roth IRA Account in your name, you can take advantage of this charitable giving opportunity in 2008 and/or 2009.

- **How much can I donate from my IRA Account per year to TPC?**

You may donate to TPC up to a total of \$100,000 per year during 2008 and/or 2009. In addition, your spouse, age 70-1/2 or older, may also donate \$100,000 per year during 2008 and/or 2009 from his or her separate IRA.

- **Are there restrictions on my IRA gift to TPC?**

In addition to the above dollar limits, your gift must be made directly payable to “Towson Presbyterian Church” from your IRA. Your 2008 gift must be postmarked before December 31, 2008 for a 2008 gift; and your 2009 gift must be postmarked before December 31, 2009. In addition, your gift may not be used to fund a donor advised fund, supporting foundation, charitable remainder trust, or charitable gift annuity.

- **May I direct how my IRA gift to TPC is used?**

Yes. In your transfer letter to your IRA Custodian/Trustee, you can direct that the distribution check be applied to:

- The TPC **Annual Fund** (the Operating Fund) to satisfy the terms of your annual pledge;
- The TPC “Foundation for the Future” **Capital Campaign**; and/or
- Some other purpose consistent with the charitable purposes of Towson Presbyterian Church (e.g., the Music Fund, a Mission Fund, etc.) Please be very specific when designating funds for this purpose.²

¹ *Emergency Economic Stabilization Act of 2008*, enacted October 3, 2008.

² The Session of TPC reserves the right to refuse gifts that are unacceptable or outside the charitable purposes of the Church.

Please provide the TPC Financial Administrator with a copy of your signed and dated transfer letter so that your gift can be properly recorded. Our fax number is: (410) 296-5969, or her e-mail address is: kathryn@towsonpres.org.

- **What are some of the tax advantages to me?**

Ordinary distributions from an IRA, whether or not given to an eligible charity, are taxed to the IRA owner as ordinary income, regardless of any charitable deduction available. Under this law, a direct contribution from your IRA to TPC is excluded from income tax. If you are required to make a required minimum distribution (RMD) taxable to you from your IRA, you may designate that this direct charitable gift satisfy in whole, or in part, your RMD for the tax year 2008 or 2009. Because this gift is not eligible for an income tax deduction, making a gift from your IRA in 2008 or 2009 will not impact the tax benefits of gifts made to charity from other sources.

Some taxpayers may encounter limits on the amount of charitable gifts they can deduct. Others may see other benefits phased out as their income increases. A charitable IRA transfer can serve to reduce these limits.

Retired persons receiving Social Security benefits may find that increases in income can cause more of their Social Security benefits to be taxed. A charitable IRA transfer is not included in taxable income.

- **How do I direct the Custodian/Trustee of my IRA to send a distribution check directly to TPC?**

A sample IRA transfer letter is available in the Church Office for your use. In addition, you can download a copy of this letter by highlighting the attached: [link to Sample IRA Transfer letter]

- **For more information:**

For additional questions or assistance, please contact Kathryn, our TPC Financial Administrator, at (410) 823-6500. Her e-mail address is: kathryn@towsonpres.org.

NOTE: Towson Presbyterian Church, its clergy, staff, officers, and members, do not provide tax advice to donors. In all cases, please consult with your personal tax advisor and IRA Custodian/Trustee to verify the legal, tax, and administrative requirements applicable to your IRA plan and this charitable gift opportunity.

[Updated: November 17, 2008]