

Frequently Asked Questions

About the Charitable IRA Rollover

Q: Who can exclude IRA distributions from taxable income?

A: The exclusion applies to individuals who have reached age 70½ by the date of their contribution.

Q: How much can I give and still take advantage of the tax-free benefits of the new law?

A: The maximum amount that can be excluded from an IRA owner's income is limited to \$100,000 per taxpayer per year.

Q: My spouse is also a UNC-TV supporter. Can we both take advantage of the charitable rollover option in the same year?

A: Yes. The amount that can be excluded from income is limited to any amount up to \$100,000 per taxpayer. As a married couple you can together donate up to \$200,000 provided that each of you owns at least one or more IRAs and has reached age 70½.

Q: If I give to UNC-TV using funds from my IRA, do I qualify for a tax deduction on that amount?

A: No. The Charitable IRA Rollover allows individuals to avoid paying income taxes that were never paid when the funds were deposited.

Q: If I elect to make a qualified charitable distribution to UNC-TV from my IRA, will I be required to itemize my deductions at tax time?

A: No. If you are part of the nearly 60 percent of taxpayers who elect the standard deduction at tax time, this new giving option will not change that for you. However, if your account includes nondeductible contributions, you may be able to take a charitable deduction on that amount. To guarantee the most favorable tax treatment of your donated IRA assets, please consult your financial advisor.

Q: Can I use funds withdrawn from other qualified tax-deferred retirement accounts such as a 403(b) or 401(k) type plan?

A: No. The provision only provides a benefit for owners of an IRA or Roth IRA. Other forms of retirement plans such as 401(k) and 403(b) annuities, defined benefit and contribution plans, profit sharing plans, Keoghs, and employer-sponsored SEPs and SIMPLE plans are not eligible.

Q: Do I have to pay capital gains tax on the amount that I give to UNC-TV from my IRA?

A: No.

Q: Can I use the qualified charitable distribution to create a trust or gift annuity or another life income agreement from which I would benefit?

A: No. Only outright cash gifts qualify for this benefit. As stated in the provision, "The exclusion from income applies only if a contribution deduction from the entire distribution otherwise would be allowable (under present law), determined without regard to the generally applicable percentage limitation." Thus, split interest gifts of any type do not qualify.

This document is intended to provide general information and is not a substitute for professional counsel. Please consult your own tax or legal advisor for professional guidance.