Charitable IRA Rollover: Turn Mandatory into Meaningful

Transfer funds directly from your IRA to Johns Hopkins and make an immediate impact on *Rising to the Challenge: The Campaign for Johns Hopkins*. Contribute your IRA gift to any area of John Hopkins—supporting our faculty and researchers in developing new knowledge; investing in scholarships and fellowships to attract the best students, regardless of their financial capacity; and helping us take on global problems that touch us all from crumbling cities to health care delivery, and more.

The charitable IRA rollover has returned for good, thanks to legislation signed in December 2015 that made this popular giving opportunity permanent. The rollover is a convenient, tax-efficient way for donors who are at least 70 ½ years old to support Johns Hopkins. Read on for more information about the charitable IRA rollover and how to accomplish your outright gift.

**HOW IT WORKS**

If you are 70½ or older, you may transfer up to $100,000 a year directly from your IRA to a qualified charity, such as Johns Hopkins. If your spouse has a separate IRA, he or she can also make a charitable IRA rollover gift. The amount of the transfer will not be included in your taxable income, and the transferred amount can count toward the IRA’s required minimum distribution.

**Consider this giving example:**

Michael Brown, age 72, has a traditional IRA, and his required minimum distribution is approximately $30,000. If he receives the distribution, it will be taxable at his marginal tax rate of 35 percent. Through a charitable IRA rollover, Michael can instruct his plan administrator to transfer $30,000 to Johns Hopkins as a charitable gift, and the $30,000 will no longer be included in Michael’s income. Michael can also choose to direct a portion of the required minimum distribution or a greater amount not to exceed $100,000 to any school or division of Johns Hopkins.
Charitable IRA Rollover

Who: Individuals 70½ and older

What: Transfers come from traditional IRA accounts directly to Johns Hopkins. Retirement assets in a 401(k) or 403(b) must first be rolled into a traditional IRA before contributing them to Hopkins.

Amount: Up to $100,000 per year

Advantages:
Immediate impact on Johns Hopkins. The distribution counts toward some or all of the required minimum distribution, and the transfer is excluded from a donor’s taxable income.

Also Consider:
Support Johns Hopkins’ future needs by designating Johns Hopkins as a beneficiary of your retirement account and avoid the tax burden incurred if you designate the asset to your heirs.

IS THE CHARITABLE IRA ROLLOVER RIGHT FOR YOU?
The charitable IRA rollover may be particularly appealing if
- You want to make an outright gift to Johns Hopkins that will have immediate impact. A charitable IRA rollover cannot fund a life income gift like a charitable gift annuity.
- You have a required minimum distribution, but do not need additional, taxable income. A charitable IRA rollover can satisfy the requirement with a direct transfer to Johns Hopkins.
- You have maxed out your charitable income tax deductions. An IRA distribution operates separately from tax rules that limit the tax benefit of individual charitable giving.
- You do not itemize your income tax deductions. If your IRA distribution goes directly to Johns Hopkins, the amount of your distribution is never considered taxable income to you in the first place.
- You reside in a state that does not allow itemized charitable deductions. In states that do not allow a charitable deduction or limit the charitable deduction, a charitable rollover from your IRA is advantageous on the state tax-level, even if your state does not allow a charitable deduction.

HOW TO MAKE YOUR GIFT
- Consult with your advisor to see whether the charitable IRA rollover is a good option for you.
- Contact your IRA custodian and instruct your custodian to make a distribution directly to Johns Hopkins.
- Provide your IRA custodian with our tax ID no. 52-0595110 and contact information listed below.
- Notify us that your gift is on its way and the area of Johns Hopkins you would like to support. You can call us at the number below or email us at giftplanning@jhu.edu.

Johns Hopkins
Office of Gift Planning
San Martin Center, 2nd Floor
3400 North Charles Street
Baltimore, Maryland 21218
giftplanning@jhu.edu
410-516-7954
800-548-1268
rising.jhu.edu/giftplanning

Johns Hopkins does not give tax, legal, or financial advice; please consult your own advisor for individual advice.
The information contained in this publication is not intended to or written to be used, and cannot be used, for the purpose of avoiding penalties imposed under the Internal Revenue Code or promoting, marketing, or recommending to another party any transaction or matter addressed herein.

JOHNS HOPKINS
UNIVERSITY & MEDICINE