



## KU ENDOWMENT · GIFT PLANNING

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# TAX-FREE IRA TRANSFERS

### HOW IT WORKS

Donors aged 70 ½ or older on the date of the distribution may transfer up to \$100,000 each year from an IRA to a qualified charity such as KU Endowment. **The IRA charitable rollover was made permanent in 2015 and will be available for all future tax years.**

The distributions will not be subject to income tax, and the subsequent gifts will not be tax-deductible, making these “tax neutral” transactions.

The gifts may not involve any quid pro quos. In other words, they may not be used to receive priority points from KU Athletics, or to establish life income arrangements, such as gift annuities or charitable remainder trusts. The Act also specifically excludes gifts to donor-advised funds and supporting organizations.

**It is very important to note that these distributions must come directly from your IRA custodian to KU Endowment. If you take possession of the distribution and then make a gift, the withdrawal will become part of your adjusted gross income for the year.**

This gift opportunity will most likely appeal to donors who want to make a gift to KU Endowment and who...

- don't need additional income; or
- are already giving at their 50% deduction limit. *(These donors can now transfer up to \$100,000 more from their IRA. This distribution will not be subject to deduction limitations, nor will it be taxed as income.);* or
- are subject to the phase-out of their exemptions. *(This rule requires that itemized deductions be reduced when adjusted gross income exceeds certain levels.);* or
- don't itemize their deductions, and who make a gift in an amount less than the standard deduction.

KU Endowment staff members are ready to consult with you and/or your adviser about a tax-free IRA transfer to KU Endowment. Please phone Andy Morrison at 785-832-7327 or Dan Almanza at 785-832-7341 with questions. IRA rollover gifts should be made payable to: The Kansas University Endowment Association (EIN 48-0547734) and mailed to:

KU Endowment  
Gift Planning  
PO Box 928  
Lawrence, KS 66044

We recommend that you contact your IRA custodian about the steps necessary to make a transfer to KU Endowment. We also recommend that you consult with your tax advisor about the tax implications of utilizing the IRA Charitable Rollover.

This information is not intended as legal, tax or investment advice. For such advice, please consult an attorney, tax professional or investment professional.