



Community Foundation
of Southern Indiana

Ensuring generosity. Forever.

**New law allows
charitable contributions from IRA funds**

August 17, 2006

FOR IMMEDIATE RELEASE

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A new law signed by President George W. Bush allows individuals 70 ½ years old and older to make contributions to charities from their Individual Retirement Accounts. The measure, called the IRA Charitable Rollover Provision, is part of the Pension Protection Act of 2006. The new law affects contributions made during 2006 and 2007. Individuals can make up to \$100,000 per year in contributions.

President Bush signed the bill into law today (August 17, 2006).

“Typically, when money is withdrawn from an IRA, it is taxed as income,” explained Laura Hansen Dean, president and CEO of the Community Foundation of Southern Indiana. “This law allows people to take up to \$100,000 out of their IRA in 2006 and the same in 2007 and donate it to charity without incurring any income tax. It’s a great way to make a contribution to their favorite charitable organization.”

Only outright gifts qualify for the incentive, which includes gifts made to funds held for charitable organizations by the Community Foundation of Southern Indiana. The Community Foundation holds funds for more than 60 organizations serving Southern Indiana. Options for donors include:

- Gifts to the Community Foundation’s **Community Fund**, which is unrestricted and used to make competitive grants to charities in Floyd, Clark and Harrison Counties;
- A **City or County Fund**, which is for the benefit of a particular geographic area of Southern Indiana;
- A **Field of Interest Fund**, which is for the benefit of a particular area of interest such as children’s services or the arts;
- A **Designated Fund**, which is held for a particular non-profit organization, or,

- ***A Scholarship Fund.***

“There is less than 18 months to take advantage of this law,” Dean said. “We would encourage anyone considering this to get in touch with us now so we can help them make any arrangements that are necessary for the gift.”

For more information about this new law or the Community Foundation of Southern Indiana, call (812) 948-4662 or (888) 388-2374 or see the organization’s Web site, www.cfsouthernindiana.com.

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