

Tax Deferred Accounts

Welcome Friends,

I hope this finds you doing well and enjoying each day God has given you, for the true gift that it is! This month, we would like to discuss ways you can make a gift to Gleanings for the Hungry by using your 401k and/or Individual Retirement Account, (IRA).

Beneficiary Designation:

One of the ways to make a gift from a retirement account is by naming Gleanings for the Hungry as one of the beneficiaries of your retirement plan. You have full access to these funds during your lifetime, and at your death the tax-free gift would be distributed to Gleanings, without having to go through probate.

This is also a “revocable” designation, which means you can change your beneficiaries at any time by simply filling out the paperwork and sending it to the company that holds your retirement plan. You can name as many beneficiaries as you would like, and they can be named as the Primary or as Contingent Beneficiary, (which receives the funds if your Primary Beneficiary has passed on prior to you, or at the same time). The best way to list the distributions to your beneficiaries is by percentages, to take into account the changing values.

Transfer of Funds:

If you are 72 years or older, you can make a transfer of up to \$100,000 directly from your account to Gleanings for the Hungry and no income tax need be paid on the transfer by either party. (*This also counts toward your required minimum distribution, (RMD) that you are required to take for the year.*)

The main advantage of this type of gift is that you will receive a tax deduction for the funds as they go into the account, the account will grow tax-deferred, and the charitable distribution is also tax-free for both yourself and the charity!

If you have any questions, please feel free to contact us.

Gleanings for the Hungry

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This information is provided for educational purposes only. For legal advice, contact an attorney.