Qualified Charitable Distribution
Legislation Has Made Charitable Gifts from Your IRA Permanent

The Protecting Americans from Tax Hikes Act of 2015 made permanent the IRA charitable rollover provision of the Pension Protection Act of 2006. Since 2016, this law allows that you may be eligible to make a gift from your IRA to a qualifying 501(c)(3) organization without incurring tax penalties. In the past, individuals who wanted to make a gift from their IRA during their lifetime were discouraged from doing so because of the income tax penalty.

IRA Qualified Charitable Distributions (also referred to as Charitable IRA Rollovers) may be transferred to the Sierra Club Foundation simply and without tax complications. This legislation only applies to eligible individual retirement accounts. It does not apply to group plans, 401(k) plans, or 403(b) plans.

To Qualify:

- You must be 70 ½ years or older when the gift is transferred.
- You may transfer up to a maximum of $100,000 to qualified charities per year. Gifts must be made by December 31 of each year.
- If you are a joint tax filer, your spouse can also give $100,000 per year if he or she is over 70 ½ and has an IRA.

Additional Considerations:

- Certain states may not exclude gift amounts withdrawn from an IRA for state income tax purposes.
- Properly completed charitable rollovers count toward your annual minimum required distribution.

How To Make a Gift:

To make a gift from your IRA to the Sierra Club Foundation, contact your IRA administrator to arrange a direct transfer from your account. A sample letter to your IRA administrator is provided on the next page. Your IRA administrator can send the funds by a check made payable to the Sierra Club Foundation. Alternately, the Sierra Club Foundation is able to accept wire transfer of funds.

Please note that if the check is made payable to you and you deposit it into your bank account and then write a personal check for the gift, the distribution will not qualify as a charitable distribution and will be included in your taxable income.

Also note that the Sierra Club as a 501(c)(4) social welfare organization is not eligible to receive IRA charitable rollovers. Check with your IRA custodian to ensure that a IRA charitable rollover is made payable directly to the Sierra Club Foundation as the qualifying 501(c)(3) public charity.

The Sierra Club Foundation does not provide tax or legal advice. Please consult your own professional tax or legal advisor before making any charitable gift decision based on this information.

For more information, please contact Cory Tenbrink on the Donor Concierge team in the Sierra Club’s Office of Advancement at (541) 227-4294 or cory.tenbrink@sierraclub.org.
Letter of Instruction from Plan Owner to Administrator for a Charitable Distribution from an Individual Retirement Account

Dear Sir or Madam:

This letter authorizes you to make a direct charitable distribution from my Individual Retirement Account #______________________________(Account Number) as provided by Sec. 1201 of the Pension Protection Act of 2006, which was extended permanently in the Protecting Americans from Tax Hikes Act of 2015 and Sec. 408(d)(8) of the Internal Revenue Code of 1986, as amended. Distributions may be sent by check as outlined below:

Check Transfers

Please issue a check in the amount of $________________________ made payable to the Sierra Club Foundation and mail it to:

Sierra Club Foundation
2101 Webster Street, Suite 1250
Oakland, CA 94612

Tax-ID#: 94-6069890

When you mail the check to the Sierra Club Foundation, please give my name and address as the donor of record in connection with this transfer. Please copy me on your transmittal.

It is my intention for this transfer to qualify as a 2019 tax year contribution. Therefore, it is imperative this distribution be effectuated no later than December 31, 2019.

If you have any questions or need to contact me, I can be reached at ____________________.

Thank you for your assistance in this matter.

Sincerely,

__________________________________________  __________________________
(Signature)  (Date)

(Name of Plan Owner)