

Your Support Makes a Difference

Gifts of any size help Augustana Care foster fullness of life for older adults through the provision of housing, health care, community-based services and elder advocacy. Here are some examples:

Lift for immobile residents	\$5,000
Twelve art classes	\$2,400
Gardening supplies/flowers	\$1,000
Eight hours of staff training	\$750
Wii console and Wii Fit™ program	\$300
Assistive-hearing device for chapel	\$150
Fifty resistance bands for therapy	\$75
Large-print Bible	\$35

If you no longer wish to receive this publication or prefer to receive it electronically, please contact Jenny Way at jhway@augustanacare.org or call 612-238-5211. Your help saving paper and postage will be appreciated.

For information about how you can support Augustana Care, contact Kay Gudmestad vice president of fund development
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Planning Your Legacy: Individual Retirement Accounts (IRAs)



“Volunteering and giving to Augustana Care gives me the opportunity to support elders who have contributed to our communities for much of their lives.”

—Charles T. (Chip) Parks, estate planning and tax attorney who has volunteered at Augustana Care for the past 20 years

 **Augustana Care**
fostering fullness of life



What is an IRA? And why give it away?

Ever think about using your individual retirement account (IRA) as a planned gift to help those Augustana Care serves? Attorney Chip Parks explains how that might work:

Q: What are the benefits of using an IRA for a planned gift?

Parks: An IRA is counted as taxable income to your beneficiaries after your lifetime, and they could lose a significant percentage of it to taxes. If you designate the IRA as a charitable gift, your beneficiaries will not be taxed on it.

Q: How do you contribute your IRA as a planned gift?

Parks: In my opinion, the best way to do so is by designating an organization like Augustana Care on the beneficiary designation form you get from your IRA custodian. That helps avoid tax issues that might arise by donating an IRA through your will. Be sure to name your beneficiary clearly.

Q: In addition to planned gifts, do IRAs also offer opportunities for more immediate giving?

Parks: Yes, as IRAs are not intended to accumulate wealth; they are for retirement. Therefore, the IRS requires you to start making taxable withdrawals from your IRA once you reach age 70½. Giving that required distribution amount to charity can help you avoid income tax on the distribution.

Q: Are there some immediate tax benefits to donating an IRA now? Who would find this to be most beneficial?

Parks: A direct transfer from the IRA to charity can benefit you if you don't itemize deductions on your yearly taxes, perhaps because you paid off your mortgage or you rent housing, or if your social security is taxed because your income is too high.

Putting your IRA to work today

Why give your IRA today, instead of waiting? You can give a gift simply and without tax complications while you are here and able to witness the benefits of your generosity.

Another good reason to give now is that the law allowing you to make a planned gift through your IRA may not be extended after this year. You can give up to \$100,000, though in order to do so you must be at least 70½ years old.

For example, say you are 80 years old, have \$500,000 in an IRA and wish to contribute \$50,000 this year to Augustana Care. If you transfer \$50,000 from the IRA directly, you will avoid paying income tax on that money. However, this will not qualify as a charitable deduction because you didn't pay taxes when you set up the IRA account.

For more information, call Kay Gudmestad, vice president of fund development, at 612-238-5209.