USE IRA INCOME TO REDUCE TAXES

Your IRA assets have never been subject to income taxes. Consequently, when you “take out” the annual Required Minimum Distribution (“RMD”) required by the IRS, RMDs are subject to ordinary income tax.

You can use viable charitable strategies to reduce the tax bite of RMDs: **reduce your taxable income through gifts to Gettysburg College by leveraging the income tax charitable deduction.**

This is a great way to “legislate” how your federal tax dollars are spent. **Tax-wise giving** benefits current and future Gettysburg students, faculty and programs. An example for a $1,000,000 IRA (using round numbers):

I. $50,000 RMD per year
   a. Pay income tax of $12,000 or more; OR, if you don’t need the income
   b. Donate $50,000 to Gettysburg to lower your taxes
   c. Deduction offsets tax on RMD, **PLUS reduces taxes on other income**
   d. Would this eliminate a tax bracket for you?
   e. How much of your taxable income would be taxed at a lower rate?

II. Need the income, but not in the year of the RMD?
   a. Defer the income with a deferred Gettysburg Annuity
   b. Fixed, guaranteed income
   c. Deduction for gift portion

III. Worried about your IRA after your life? Consider the options
   a. Name Gettysburg as beneficiary of your IRA
   b. Named heirs as beneficiary of your IRA, but worried about frivolous spending and/or poor management by heirs?
      i. Name Gettysburg as beneficiary, direct Gettysburg to pay heirs
      ii. Fixed or variable income (can we tell you more about this?)
     iii. Income to heirs for life or term of years

Please review this with your tax advisor and/or arrange for us to speak with them.