



The Washington
**ANIMAL
RESCUE
LEAGUE**

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warl.org/PlannedGiving

IRA Rollover Gifts

Tax-Saving Opportunity for Donors Age 70½ or Older Expires on December 31, 2011 (Although Other Options Will Still Be Available)

A federal law passed in late 2010 renews tax incentives for charitable gifts from donors who are 70½ or older. This provides you with an additional way to support charitable organizations across the United States, including the Washington Animal Rescue League.

Specifically, you can make a lifetime gift using funds from your individual retirement arrangement (IRA) and avoid an undesirable income tax effect that can occur in the absence of the law.

Normally, your only option would be to report any amount taken from your IRA as taxable income. You could then claim a charitable deduction for the gift, but only if you itemized your deductions and only up to 50 percent of your adjusted gross income. In effect, this could cause some donors to pay as much in income taxes as if they didn't make a gift at all.

Fortunately, IRA gifts can now be accomplished more simply and without this potential tax complication. This enables you to witness the benefits of your generosity during your lifetime.

Furthermore, if you have not already taken your required minimum distribution for 2011, every dollar distributed directly to qualifying charities from your IRA reduces the amount you would otherwise need to withdraw before the end of the year.

And not only can you give up to \$100,000 from your IRA if you are 70½ or older, but also your spouse can do the same from her/his IRA if she/he is 70½ or older.

Guidelines

You may contribute funds this way if:

- You are age 70½ or older.
- You make the gift on or before December 31, 2011.
- All such gifts made this year total \$100,000 or less.
- You transfer funds directly from a traditional IRA or a Roth IRA (or, in some cases, a “dormant” SEP IRA or SIMPLE IRA).
- You make the gift outright to a public charity, although not to a supporting organization or a donor advised fund or in any way that results in you receiving goods or services in exchange for your contribution.

It is recommended that you consult your tax professional if you are contemplating a gift under the new law.

How to Make a Gift

Simply contact your IRA custodian and indicate you would like to make a gift of a certain amount to the League directly from your IRA. In all likelihood, the custodian will have its own form(s) for you to complete. If not, then the League can provide you with a sample form.

Other Opportunities

So long as you are at least age 59½, you can – as noted above – take a distribution from your IRA (or from a qualified retirement plan, such as a 401(k) account) and then use that cash to make a gift to the League. Provided you are able to claim all of the resulting tax deduction here in 2011, you will not pay any federal tax on the income attributable to the money distributed to you.

As an alternative, consider taking a distribution from your IRA or qualified plan and then making your gift with long-term appreciated publicly traded securities (such as stock, mutual fund shares, or bonds) equal in value to your distribution. You will receive the same deduction as if you contributed cash, although you can claim the deduction only up to 30 percent of your adjusted gross income. In addition, you will avoid tax on any of the capital gain in the securities.

Finally, regardless of your age, you also can list the League as a beneficiary of any funds that remain in your IRA or in a qualified retirement plan at the end of your life. If you pursue this possibility (which can have considerable tax advantages for your heirs and for your estate), please include our federal tax ID number: 53-0162440. *Please see the League's fact sheet on beneficiary designations for more information.*

Special Considerations

Please contact us about restricting your IRA gift to the specific League program(s) of your choice. Unrestricted contributions are preferred; however, we also welcome a conversation if funding a specific program is critical to you. We have many projects – both short-term and ongoing – at the League for which we seek support. We can tell you about all the available options today – and tomorrow, to care for animals well into the future.

Gifts to the League may be made in memory of any deceased person(s) or pet(s) or in honor of any living person(s) or pet(s).

Other Types of Planned Gifts that May Interest and Benefit You

If you are considering an gift from your IRA, be aware that other gift types – such as an outright donation of stock or other securities, real estate, a charitable remainder trust, or a retained life estate arrangement involving a personal residence – may be suitable or preferable, taking into account your goals and needs.

Of course, arranging a gift for the League through a will or through some other element of an estate plan – e.g., including our organization as a beneficiary of a financial, retirement, or insurance account or asset – is also an act of considerable generosity that many people can afford even if a large lifetime gift is not realistic.

Our development staff can help you plan the right gift in light of your assets, income, family, and other estate or financial obligations. You may be able to be a greater philanthropist than you realize. Would you consider making the gift of a lifetime to the League if we can show you how?

We Invite You to Contact Us

The League neither requests nor accepts government funding. We are a 501(c)(3) charity and our programs and endowment depend on your support. Our tax identification number is 53-0162440.

Direct your confidential inquiries and notifications about legacy gifts for the benefit of the League to:

Robert Blizard, Chief Development Officer
Washington Animal Rescue League
71 Oglethorpe Street, NW
Washington, DC 20011
rob@warl.org | 202.375.7754

Information also available at warl.org/PlannedGiving.

**This information provided by the Washington Animal Rescue League
is not financial, tax or legal advice.
You should consult your advisors before making your charitable giving decisions.**