

The Protecting Americans from Tax Hikes Act of 2015 (PATH) was signed into law in December 2015, permanently allowing Qualified Charitable Distributions from your IRA to qualified charities!

Individuals may begin taking distributions from their Individual Retirement Accounts (IRAs) as early as age 59½, but are *required* to begin taking them at age 70½. Normally, these distributions are subject to income taxes. **The Qualified Charitable Distribution (QCD) allows individuals age 70½ and older to donate up to \$100,000 to Seattle Opera and other charitable organizations directly from their IRA**, without treating the distribution as taxable income. In order to qualify, contributions must go directly to a public charity and be made from traditional IRAs or Roth IRAs.

### BENEFITS FOR YOU AND YOUR HEIRS

If you have both retirement and non-retirement assets in your estate, it can be more beneficial for a charity to inherit your retirement assets and for your heirs to inherit your non-retirement assets, as the non-retirement assets may have already been taxed. The IRS considers the balance left in your retirement plan to be untaxed income. Therefore, any beneficiary (other than your spouse) could face income taxes in addition to estate taxes on your balance. As a qualified charity, Seattle Opera would not owe taxes on the gifted amount. You can save taxes and preserve your hard-earned assets for the good of your community! Here's an example:

If IRA gift passes to an heir:

| IRA Value                 | State income tax                       | Federal income tax                  |
|---------------------------|--|-------------------------------------|
| \$100,000                 | \$9,000 (based on 9% state income tax) | \$25,480 (based on 28% tax bracket) |
| <b>Total Gift to heir</b> | <b>\$65,520</b>                        |                                     |

\*example based on a non-taxable estate

If IRA gift passes to Seattle Opera:

| IRA Value                    | State income tax | Federal income tax |
|------------------------------|------------------|--------------------|
| \$100,000                    | \$0              | \$0                |
| <b>Total Gift to charity</b> | <b>\$100,000</b> |                    |

The tax benefits of the QCD are available to you as a taxpayer regardless of whether or not you itemize your returns. In particular, this helps older Americans who may have paid off their home mortgage and no longer file itemized tax returns. The mandatory distribution from their IRA would otherwise trigger a tax burden, even if they donate the money to charity. The QCD provision removes these negative tax consequences and encourages Americans to give back to their communities during their lifetime.

Here are the basic guidelines:

- Married individuals filing a joint return could exclude up to \$100,000 donated from each spouse's own IRA (\$200,000 total).
- The donation satisfies any IRA **required minimum distributions** for the year.
- The amount excluded from gross income isn't deductible.
- Donations from an inherited IRA are eligible if the beneficiary is at least age 70 ½.
- Donations from inactive SEP and SIMPLE IRAs are eligible.
- Donations from a Roth IRA are eligible.

## WAYS TO DONATE

Help bring opera to life and keep our doors open to the community through your IRA gift. Here are ways you can play a direct role in Seattle Opera's future:

- **General Operating Support** – Annual gifts are the lifeblood of Seattle Opera, and our donors love the perks! Meet artists. Go behind the scenes. Come closer to the opera you love as a donor. Click [here](#) to check out the exciting donor benefits you'll receive for your annual gift.
- **Seattle Opera at the Center** – Make an outright gift toward our project to build a new civic home adjacent to Marion Oliver McCaw Hall, or fulfill a multi-year pledge. Click [here](#) for more information.
- **Endowment at Seattle Opera** – Gifts to the endowment are permanently invested with annual interest payments used to support Seattle Opera performances, programs and operations. Establish a named fund for a minimum gift of \$100,000. Click [here](#) for more info.
- **Sponsorships** – Sponsor a specific production, event or learning and engagement program to express your passion for Seattle Opera. Preferred Seating and Gala tickets not eligible. Click [here](#) for more info.

## WHAT SHOULD I DO NEXT?

Take the appropriate action to ensure your gift arrives to Seattle Opera before December 31st:

- Contact your IRA plan administrator and ask them to *directly* transfer a certain sum (up to \$100,000) to Seattle Opera before midnight on December 31, 2017. Our charitable tax ID number is **91-0760426**.
- For questions, contact us at [planned.giving@seattleopera.org](mailto:planned.giving@seattleopera.org).
- Double your impact by making a second IRA rollover gift in early 2018!