

New Incentives: Pension Act

Provision Allows for Tax-free Charitable Transfers from IRAs

Millions of Americans have saved billions of pre-tax dollars in Individual Retirement Accounts (IRAs). A new federal law allows IRA owners to share the wealth of their retirement savings by giving directly to charity—without first counting it as income and paying income tax.

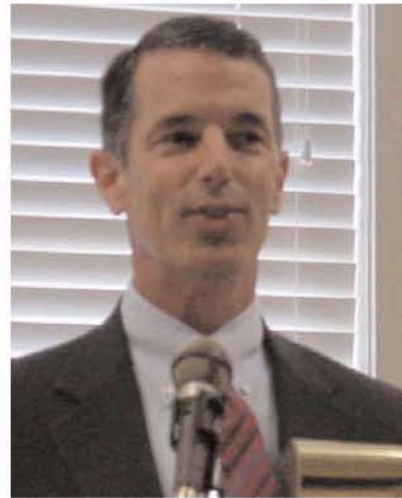
This change can help people make major gifts during their lifetimes to the nonprofit organizations they choose to support. Many retirees are interested in giving funds accumulated in IRAs to charity, but until now income tax had to be paid on all withdrawals. A provision in the new federal Pension Protection Act of 2006 creates a new option: transferring IRA assets directly to charity. By going directly to charity, the money is

not included in the IRA owner's income and—most importantly—is not taxed, preserving the full amount for charitable purposes. The law covers all gifts made this year and next.

In 2006 and 2007, holders of traditional and Roth IRAs who are at least 70½ years old can make direct charitable transfers up to \$100,000 per year. As a qualified public charity, The Community Foundation of Decatur/Macon County can help donors execute the transfers and choose from several charitable fund options for their gift. Donor Advised Funds do not qualify for tax-free IRA transfers.

For anyone interested in establishing a permanent legacy in this community, this is the opportunity of a lifetime to make the gift of a lifetime. Contact The Community Foundation for a free brochure entitled "The Charitable IRA".

Communityworks group reviews project report



Bruce Nims is the Chairman of the Communityworks Advisory Committee.

The Community Foundation's Communityworks Advisory Committee reported its findings on three subjects at a public forum August 17, and presented a plan for offering grants and other assistance in the areas of childcare and early childhood education, workforce development, and land use and protection. The group proposes

making mini-grants to childcare providers who implement an approved kindergarten readiness curriculum, using earnings from the Communityworks Endowment. The group also plans to seek opportunities to help fund land use planning activities and request proposals from education and training organizations for academic and workplace preparedness programs. Final grant guidelines will be available before year-end. The Communityworks Advisory Committee will report to the public annually of the progress made for each objective.

Decatur School Superintendent Gloria Davis and Community Foundation Board Chairman Larry Haab were among the Decatur citizens who participated in the final Communityworks forum.



The Community Foundation of Decatur/Macon County seeks to raise the quality of life throughout Macon County by developing and channeling philanthropy to meet the changing needs of residents. The foundation makes grants to nonprofit organizations working in the arts and culture, civic affairs, historic preservation, education, environmental affairs, health, and human services. In its five year history, The Community Foundation of Decatur/Macon County has made grants of more than \$1,000,000 from donor-advised and designated funds. For more information, visit at www.endowdecatur.org.

