

Your legacy of giving starts today

Roth IRA Conversion



If you're converting a traditional Individual Retirement Account to a Roth IRA, there's never been a better time to make a meaningful gift to community.

How it works

- You talk with your tax advisor to determine the benefits and tax consequences of converting all or a portion of your traditional IRA to a Roth IRA. Starting in 2010, your taxable income is not a factor in Roth IRA conversions. You decide if this is right for you; a Roth IRA conversion is a tax-reportable transaction.
- You make a gift to the community foundation from your non-IRA personal assets—you can give cash, appreciated stock, real estate, or other assets. You may want to consider a charitable gift equal to the taxable value of Roth IRA conversion assets.
- You receive maximum charitable deduction for your community foundation gift which may offset taxable income from your Roth IRA conversion.
- We can set up a special fund in your name, the name of your family, or in honor of any person or organization you choose.
- You recommend uses for the fund—working with our professional program staff to support the causes and organizations you care about most. Your recommendations are presented to our community foundation board for approval.
- We handle all administrative details and issue grants to charities in the name of the fund you establish (if you prefer, grants can be made anonymously).
- Your gift can become part of an endowment that is invested to grow over time. Earnings from your fund are used to make grants addressing community needs. Your gift—and all future earnings from your gift—is a permanent source of community capital, helping to do good work forever.

Tax wise and community minded

Roth IRAs are an attractive option for people who'd like to create tax-free income for retirement. Unlike traditional IRAs, Roth IRAs invest after-tax dollars—accumulation and withdrawals are tax-free. This strategy makes sense for people concerned about the potential effects of rising taxes on retirement income or high taxes when retirement assets pass to heirs in an estate.

When IRA holders transfer these assets to a Roth IRA, the amount of funds transferred is considered taxable income. If younger than 59½, tax professionals generally recommend using non-IRA assets to pay these taxes due... or seek additional tax deductions.

Community-minded individuals can lessen these tax consequences and advance community causes by increasing charitable contributions in the same year of the Roth IRA conversion. Ask your tax advisor if this approach is right for you.

Ten reasons people choose to give through our community foundation

one

We are a **local organization** with deep roots in the community.

two

We have **broad expertise** regarding community issues and needs.

three

We provide highly **personalized service** tailored to each individual's charitable and financial interests.

four

Our funds help people **invest in the causes** they care about most.

five

We accept a wide **variety of assets**, and can facilitate even the most complex forms of giving.

six

We partner with **professional advisors** to create highly effective approaches to charitable giving.

seven

We offer maximum **tax advantage** for most gifts under federal law.

eight

We **multiply the impact** of gift dollars by pooling them with other gifts and grants.

nine

We build **endowment funds** that benefit the community forever and help create personal legacies.

ten

We are a **community leader**, convening agencies and coordinating resources to create positive change.

Choose a fund

When you make a gift to the community foundation, you can start a special fund in the name of your choosing. The way you direct that fund—and your level of involvement in the grants made from that fund—is up to you. Choose from:

- **Unrestricted Fund**—Address a broad range of current and future needs. The community foundation awards strategic grants to select projects and programs.
- **Field of Interest Fund**—Target your gifts to causes important to you. The community foundation awards grants to programs addressing a specific interest area.
- **Donor Advised Fund**—Choose ongoing involvement for yourself or your family in awarding grants from the fund you create. Establish or add to this fund in high income years and balance your grant recommendations for years to come.
- **Designated Fund**—Support the good work of a specific nonprofit organization with a source of income, plus planned giving and investment management.
- **Scholarship**—Invest in our community's future by supporting the education of students. You select the criteria for scholarship recipients. The community foundation takes care of the details.

Review other retirement assets

If a Roth IRA conversion is not right for your personal or financial circumstances and if you are concerned with potentially high estate taxes, the charitable beneficiary designation is a good choice for your retirement assets and life insurance policies.

The community foundation provides a simple, powerful, and highly personal approach to giving. We offer a variety of giving tools to help you achieve your charitable goals.

You can make a gift of cash, stocks, bonds, real estate, or other assets to your community foundation. Most charitable gifts qualify for maximum tax advantage under federal law. For more information and ideas on ways to integrate your financial planning with charitable giving, ask your financial advisor or contact us.

For more information, please contact:

Oshkosh Area Community Foundation

230 Ohio Street, Suite 100
Oshkosh, WI 54902
(920) 426-3993
www.OshkoshAreaCF.org