

**TALKING POINTS FOR
CONGRESSIONAL CONTACTS ON THE:
PUBLIC GOOD IRA ROLLOVER ACT**

- We appreciate you taking the time to talk with us about the Public Good IRA Rollover Act (H.R. 1607). We know of your interest in charitable giving and appreciate your support.
- H.R. 1607 was introduced by Representatives Herger and Pomeroy on April 13, 2005. We strongly encourage enactment of H.R. 1607 during this Congressional session.
 - If lawmaker is not a cosponsor of H.R. 1607, ask lawmaker to become a co-sponsor.
 - If the lawmaker is not a member of the Ways and Means Committee and/or in the House leadership, ask the following:
 - We would also be most appreciative if you would talk to members of Ways and Means and those in the House leadership to let them know that you would like to see charitable giving legislation become law this year and, to that end, urge them to add charitable giving provisions – particularly the IRA rollover provision – to any tax package that might become law. We would be interested in hearing any feedback you receive.
- In short, H.R.1607 would allow tax-free IRA rollovers for outright charitable gifts and life-income gifts that would ordinarily be fully taxed as income to the IRA owner and/or spouse. The minimum age for an outright rollover is 70 ½ and 59 ½ for a life-income rollover. The rollover is tax-free but there is NO charitable deduction.
- The amounts transferred to the charity could be in the form of an outright gift or used to fund a deferred or life-income gift (e.g., a charitable remainder trust, gift annuity or contribution to a pooled income fund). If the IRA funds are rolled over as a life-income gift, the donor would pay taxes on the resulting annual income payments from the charity.
- With pressures on federal spending and a fluctuating economy, we expect the pressures on charitable institutions to increase – particularly those providing social services. Unfortunately, in the current climate, many charities are struggling. Passage of H.R. 1607 would remove tax penalties that have prevented many generous Americans from rolling their IRA assets into charity.
- The IRA rollover provisions have passed Congress on numerous occasions. However, since they have always been attached to larger, sometimes controversial bills, the provisions have never been signed into law. The IRA rollover provisions have strong, bi-partisan support in Congress and should be enacted into law this year.
- The IRA rollover provisions are also supported by President Bush. For example, in an interview for *The Journal of Gift Planning* (October, 2000) he stated, “Another one of my early tax proposals was to allow Americans over the age of 59 to make direct transfers from retirement accounts to charities without paying any taxes or penalties. I do not

believe that people should be penalized for saving throughout their working lives and then wanting to share with those less fortunate.”

- Thank you for your time. We hope you will lend your support to this important legislation.