

## IRA MRD LEA NOW!

by Charlie Tarbell, LEA Treasurer

Note: This is another in a series of articles around legacy funding for LEA.

If you have obtained the ripe old age of 70½ and find yourself in possession of an Individual Retirement Account (IRA) then the title of this piece will not be just alphabetical nonsense to you. Indeed, at age 70½, the tax laws require you to begin taking what the Internal Revenue Service (IRS) refers to as “minimum required distributions” (MRDs) from your IRA. These MRDs can be a source of welcome additional income for you and your family. However, if you have held off on taking distributions until 70½, MRDs might not be so welcome, as they are also taxed at your current marginal ordinary income tax rate. This is despite the fact that many “old” IRAs consist largely of the accumulation of long-term capital gains that would otherwise be taxed at 15%.

But there is good news. The owner of an IRA can contribute part or all of their annual MRD directly to LEA, and LEA will receive the entire face amount of the contribution, free from the tax burden that you would otherwise face. IRA MRD donations to LEA NOW (that is annually, as opposed to holding those amounts until your death to convey) are a way to help LEA continue to do their good work while at the same time avoiding the tax bite on your MRDs. MRD donations will also enlist you in the LEA Lakes Legacy League.

Please consider LEA when you mull over what to do with your IRA MRDs. Financial advisors know just how to execute these donations. In addition, Colin or I would be happy to discuss the matter further with you.