

Tax-Free IRA Charitable Distribution

Individuals at least age 70 ½ can support the Brigade of Midshipmen with a tax-free distribution from an IRA account in both 2012 and 2013.

The American Tax Relief Act extends for two years, through December 31, 2013, the provision allowing tax-free distributions from individual retirement accounts (IRA) to public charities, by individuals age 70 ½ or older, up to a maximum of \$100,000 per taxpayer per year.

The U.S. Naval Academy Foundation is a qualified charity under the Act and may receive these IRA distributions. Eligible donors are encouraged to support the mission of the Naval Academy and the Foundation via this gift opportunity. Distributions may be directed to the Naval Academy Annual Fund, the Parents Fund, the Fund for Athletic Excellence and/or many other approved gift-supported initiatives, including alumni class projects.

Donors must be at least age 70 ½ at the time of the distribution. In addition, the distribution is to be made directly from your IRA account to the Foundation as coordinated by your fund/account administrator. The amount distributed will not be included in the donor's federal taxable income and will count toward the required minimum distribution amount. Also, it is important to note that this gift method does not apply to 401(k), 403(b) and Keogh accounts, nor may the distributions be used to establish a planned gift.

Donors will be recognized under the Foundation's donor recognition program at the level commensurate with their gift(s), including the President's Circle donor society recognition for gifts of \$2,500 or more, in the respective calendar year.

Prospective donors, IRA plan administrators and financial advisors are asked to contact the Foundation's Office of Planned Giving (see information below) before initiating or transacting a qualified charitable distribution from an IRA account. For tax purposes, donors will receive a written acknowledgment for their qualified charitable distribution.

Thank you very much for your support of the U.S. Naval Academy Foundation.

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This message neither provides nor substitutes for professional tax or legal advice. The U.S. Naval Academy Foundation encourages each donor to consult a personal tax advisor or attorney about your specific situation regarding federal, state and local income tax matters.