

IRA Rollover

After years of contributing to tax-deferred 401(k)s and IRAs, income tax is due on that money when you take withdrawals in retirement. Annual withdrawals from traditional retirement accounts are required after age 70 1/2, and the penalty for skipping a required minimum distribution is 50% of the amount that should have been withdrawn. However, if you are in the fortunate position of not needing your distribution for living expenses and are charitably inclined, you can avoid income tax on your required withdrawal by donating your money directly to a qualifying charity. Please talk to your financial advisor on how to donate your required minimum distribution to United Way of Alamance County.