



JAMES S. LUCKEY  
SOCIETY

**H**  
HOUGHTON  
COLLEGE

FALL 2016  
NEWSLETTER

THE PLANNED GIVING NEWSLETTER OF HOUGHTON COLLEGE AND THE JAMES S. LUCKEY SOCIETY

## THE DOLLARS & SENSE OF GIVING IRA ASSETS TO HOUGHTON

Because the laws governing charitable gifts from Individual Retirement Accounts (IRAs) became permanent at the end of 2015, more and more Houghton supporters are considering this kind of giving for the first time. We thought it would be helpful to hear from some of our generous Houghton alumni who have recognized the many benefits of giving through their IRAs and have been utilizing this method of charitable giving for several years.

**Gary Larder '62**, considers

Houghton College "a high priority 'mission investment' in today's society" and gives in order to "participate in its service to our young people." For him, giving out of his IRA is a convenient



way to partner with Houghton that also makes financial sense. One simple call to his financial advisor sets the transfer in motion, and he receives a timely response from the Office of Advancement acknowledging his gift.

Another Houghton graduate, **Norma Bence Grover '63**,

is proud to be a member of a four-generation Houghton family and has "valued the impact that Houghton has made on my life, my family and my alumni friends." "Because of that," she continues, "I immediately started giving back financially to Houghton after graduating and have continued to do so annually."



She appreciates that her Qualified Charitable Distribution (QCD) doesn't count as personal income on her tax forms, thereby reducing the taxes she must pay. Norma states, "Contributing your QCD to Houghton results in having more funds available to give to the college." She suggests notifying the Office of Advancement of your intention to contribute using your QCD, making sure the check is made out to Houghton College, and to always saving the stub for your records.

You can read more about making an annual charitable gift to Houghton College from your IRA in this edition of the James S. Luckey Society Newsletter. As always, Houghton College is grateful to alumni like Gary and Norma who have chosen to invest in our scholar-servants.

## 70 1/2 OR OLDER? IRA CHARITABLE ROLLOVER IS BACK, AND THIS TIME, IT'S PERMANENT!

The Protecting Americans from Tax Hikes (PATH) Act of 2015, which was passed by Congress and signed into law by the president on December 18, 2015, made permanent what is popularly known as the IRA charitable rollover.

Charitably minded taxpayers have enthusiastically embraced the IRA charitable rollover as an opportunity to transfer up to \$100,000 each year to charity without it being treated as a taxable distribution. Despite its popularity since being introduced in 2006, the IRA charitable rollover has faced extinction several times and had actually expired on December 31, 2013. Now, it has been reinstated and made permanent.

### Here are the requirements and restrictions for making an IRA charitable rollover gift:

- The donor must be 70 1/2 or older.
- The gift must be made directly from the IRA to an eligible charitable organization.
- Gifts to all charities combined cannot exceed a total of \$100,000 per taxpayer for the year.
- The gifts must be outright, and no material benefits can be received in return for the gifts. Thus, a transfer for a gift annuity, charitable remainder trust or pooled income fund is not permitted.
- Gifts cannot be made to a donor advised fund, supporting organization or private foundation.
- The gift is not included in taxable income, and no charitable deduction is allowed.
- The gift can be made only from an IRA. Gifts from 401(k), 403(b) and 457 plans are not permitted.

The qualified distribution described above applies to a traditional IRA. Distributions from employer-sponsored retirement plans, including simple IRA plans and simplified employee pension (SEP) plans, are not eligible for the tax-free rollover.

### This may be the right gift for you to make if:

- You want to make a charitable gift, and your IRA constitutes the largest share of your available assets.
- You are required to take a minimum distribution from your IRA, but you do not need additional income.
- You do not itemize your deductions. In that case, a personal IRA distribution increases your taxable income without the benefit of an offsetting deduction. An IRA charitable rollover will not be included in your taxable income even if you do not itemize other deductions.

- You live in a state where retirement-plan distributions are taxable on your state income tax return, but your state does not allow itemized charitable deductions.
- You would like to make an additional charitable gift, but it would not be deductible because of the annual limitation of 50 percent of adjusted gross income for charitable contributions. The IRA charitable rollover is equivalent to a deduction because it is not included in taxable income.
- You have an outstanding pledge to Houghton College. The IRA charitable rollover can satisfy a pledge without violating rules against self-dealing.

### Here are the steps to take to make a gift:

- If you want to make a qualifying transfer, contact your IRA administrator, and instruct that person to transfer funds to Houghton College.
- Contact the Office of Advancement. We will answer your questions and provide instructions for completing your gift.

## BABY BOOMERS: YOU HAVE CHARITABLE OPTIONS FOR YOUR REQUIRED RETIREMENT-PLAN DISTRIBUTIONS

In 1946, more babies were born (3.4 million) in this country than ever before. The baby boom was under way, and by the end of 1964, Baby Boomers accounted for almost 40 percent of the population. This is the year that the first of those Baby Boomers turn 70½ and must begin taking required minimum distributions (RMD) from your IRA and 401(k).

These distributions are generally fully taxable at ordinary income tax rates. While many individuals will need income from their retirement accounts for living expenses, you may be among those who wish you could avoid paying tax on income you are required to take but don't necessarily need at the present time. Fortunately, for those of you who are philanthropically minded, there are several options available to reduce or even eliminate federal income taxes on your RMD.

Exploring charitable options for your RMD with your financial advisors and a member of the Houghton College Office of Advancement could point the way to increased financial security for you and your family as well as future support for us and other charitable organizations that are important to you.





## JAMES S. LUCKEY SOCIETY

The James S. Luckey Society was established in 2010 to honor those donors whose gift plans set a firm foundation for the long-term financial health of Houghton College and its continued ability to support Houghton students as they pursue God's call on their lives.

Like these legacy donors, James S. Luckey—aptly remembered as “The Builder”—demonstrated such qualities as faithfulness, hard work and deep concern for students. As Houghton's first official president, Dr. Luckey set his nearly inexhaustible energy to the task of raising a relatively unknown seminary to a fully accredited college with a reputation for academic excellence and faith.

Even as he pursued this vision, Dr. Luckey attended to the young people God put in his care, often quietly paying their tuition or finding them jobs that would provide room and board to ensure their stay.

Members of the James S. Luckey Society share a similar vision. They give wisely for the long term, whether it is through will bequests, charitable trusts and annuities, insurance policies, or the creation of endowments. They have the big picture in mind, yet their gifts attend to the details. Their support has a major impact on the future of Houghton College, but it also touches the lives of individual students—students who will become the future servant leaders of our world.



### GIFT PLANNING CONTACT INFORMATION

Office of Advancement  
Houghton College  
One Willard Avenue  
Houghton, NY 14744

Phone: 585.567.9340

Fax: 585.567.9208

[advancement@houghton.edu](mailto:advancement@houghton.edu)

[www.houghton.edu/giving/](http://www.houghton.edu/giving/)



- Please call. I/we want to learn more about supporting future students at Houghton College through a gift from my IRA or through the creation of a planned gift.
- I/we have already included Houghton College in my/our estate plan but have yet to provide documentation. Please provide me with necessary paperwork.

Name(s): \_\_\_\_\_

Phone(s): \_\_\_\_\_

Email(s): \_\_\_\_\_

*Please mail this completed form to:*

*Office of Advancement, Houghton College, One Willard Avenue, Houghton, NY 14744-0128*



» During Homecoming, Houghton College expressed gratitude for the outstanding financial commitment of nearly 120 members of the 1883 and James S. Luckey Societies at the Society Luncheon inside the Kerr-Pegula Field House.



## SOCIETY LUNCHEON AT HOMECOMING



» Women's soccer coach, David Lewis, welcomed Society members to Houghton for Homecoming weekend and the celebration of the 50th anniversary of intercollegiate athletics at Houghton College.

» Women's soccer player Bethany Kuiken '18 shared her story of what it means to be a student athlete at Houghton and the lifelong lessons she's learned.