



WHAT THE PENSION PROTECTION ACT OF 2006 COULD MEAN TO PACK PLACE: NEW IRA LAW OFFERS DONORS MANY ADVANTAGES

On August 16, President Bush signed a law that creates an important new opportunity for making gifts to Pack Place and other charities. **THE PENSION PROTECTION ACT OF 2006** is good news for many donors who can afford to make charitable gifts using their IRA accounts.

Largely because of the stock market boom of the 1990s, many taxpayers have unexpectedly large Individual Retirement Accounts (IRAs). In fact, about one half of American households have IRA accounts. Believe it or not, many individuals have more than sufficient funds to retire comfortably and do not need all of the money in their IRA accounts to secure a comfortable retirement.

Until very recently, the tax law acted as a disincentive for donating IRA assets to your favorite charity (like Pack Place!). The money in traditional IRAs was subject to ordinary income tax upon withdrawal. Then, if the individual wished to use some of the funds to make a charitable contribution, the tax on the IRA withdrawal was offset in varying degrees by a charitable deduction for the gift. Consequently, very few individuals have donated IRA funds to charities during their lifetime.

FOR THE FIRST TIME EVER, from now through December 31, 2007, individuals age 70 1/2 and older may make gifts from their IRA accounts directly to Pack Place Education, Arts & Science Center and other qualified charities without being subject to Federal income tax on the IRA withdrawal. Amounts withdrawn from an IRA account are removed from the donor's taxable estate. IRA gifts count toward the annual Minimum Required Distribution.

JUST THINK OF THE BENEFIT TO PACK PLACE! Pack Place could significantly benefit from this new legislation because the provisions may encourage a significant amount of new contributions from generous donors who will no longer have to pay tax on a charitable gift of IRA funds up to the \$100,000 limit for 2006 and 2007. This is a limited opportunity since **THIS PROVISION EXPIRES ON THE LAST DAY OF 2007** (unless Congress extends the provision).

Just think of the ways that IRA rollover gifts could be used for Pack Place! It could help us keep the lights on and the doors open so that our Partner Organizations, the **ASHEVILLE ART MUSEUM, COLBURN EARTH SCIENCE MUSEUM, DIANA WORTHAM THEATRE**, the **HEALTH ADVENTURE**, and **YMI CULTURAL CENTER**, can continue to offer the same quality programs, exhibitions and performances that our visitors and our community have enjoyed since our opening in 1992. An IRA rollover gift could be used to fund our Repair Reserve Fund and ensure the sustainability of our aging facility... the possibilities are endless!

Help us spread the word about this exciting opportunity. If you or someone you know may benefit from this new legislation, please pass this information on. We hope that you will consider a tax deductible IRA rollover gift to Pack Place!



This is not intended to be legal or tax advice. We encourage you to consult your own legal or tax advisor to see how you may be affected by the new law. If you have questions, please contact Ed Hay, Pack Place Director, at 828-257-4544 x 303.