NEWS RELEASE

Greater Green Bay Community Foundation
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Direct IRA Transfers for Community Foundations

New Pension Law Also Provides for Charity

Provision Allows for Tax-free Charitable Transfers from IRAs

GREEN BAY, WI – Since 1974, millions of Americans have saved billions of pre-tax dollars in Individual Retirement Accounts (IRAs). Thanks to continued savings and investment returns, an estimated $3.6 trillion is currently invested in IRAs, and the total continues to grow. A substantial share of today's retirees have more money in their IRAs than they'll ever need. Recently, a federal law was enacted allowing IRA owners to share the wealth of their retirement savings by giving directly to charity—without first counting it as income and paying income tax.

The new law could be a boon to local philanthropy.

"This is a wonderful win-win—for people who would rather give to charity than pay taxes—and the nonprofit organizations they choose to support," said Martha Ahrendt, Greater Green Bay Community Foundation Chief Operating Officer.

"For larger estates, a good portion of IRA wealth goes to estate taxes and income taxes of beneficiaries," Ahrendt said. "Experts estimate heirs will receive less than 25% of most IRA assets that pass through estates."

A provision in the new federal Pension Protection Act of 2006, creates a new option: transferring IRA assets directly to charity. By going directly to charity, the money is not included in the IRA owner's income and—most importantly—is not taxed, preserving the full amount for charitable purposes. The law covers all gifts made this year and next.

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New Pension Law Also Provides for Charity/add 1

In 2006 and 2007, holders of traditional and Roth IRAs who are at least 70 ½ years old can make direct charitable transfers up to $100,000 per year. As a qualified public charity, Greater Green Bay Community Foundation can help donors execute the transfers and choose from several charitable fund options for their gift. Donor Advised Funds do not qualify for tax-free IRA transfers.

"This really is a limited-time offer: the window is open now, but it will close in 2007 unless Congress extends it," said Ahrendt. "For anyone interested in establishing a permanent legacy in this community, this is the opportunity of a lifetime to make the gift of a lifetime."

Established in 1991, the Greater Green Bay Community Foundation is a non-profit charitable organization. Each year the Community Foundation distributes more than $3 million in grants to many of the humanitarian, educational, and cultural organizations in Northeastern Wisconsin. The Community Foundation's mission is to aid, develop and enhance the quality of life for the communities and citizens they serve throughout Brown, Kewaunee and Oconto Counties.

SIDEBAR

Gift of a Lifetime: Shopping for Charity

Having more retirement money than you need is a great problem to have, and one that's now easier to solve. But generous IRA donors still face multiple options for their gift: Support the entire community? Underwrite a special cause? Shore up a favorite charity? Here are three top charitable fund picks.

Fund for Greater Green Bay: Meeting ever-changing community needs.
IRA transfers to the Community Impact Fund address a broad range of current and future needs. The Greater Green Bay Community Foundation evaluates all aspects of community well-being—arts and culture, community development, education, environment, health and human services—and awards strategic grants to select projects and programs.

Ahrendt: "For people who care deeply about this community and its people, this fund is an excellent way to address our most pressing needs, today and tomorrow."

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New Pension Law Also Provides for Charity/add 2

Field of Interest Fund: Connecting personal values to high-impact opportunities.
IRA transfers to Field of Interest Funds allow donors to target gifts to causes important to them: arts, medical services, urban education, neighborhood revitalization, youth welfare, and more. Greater Green Bay Community Foundation awards grants to community organizations and programs addressing the donor's specific interest area.

Ahrendt: "For those who are particularly passionate about a single cause, Field of Interest Funds provide strategic, lasting support—even as needs change over time."

Designated Fund: Helping local organizations sustain and grow.
IRA transfers to Designated Funds allow donors to support the good work of a specific nonprofit organization—a senior center, museum, or any qualifying nonprofit charitable organization.

Ahrendt: "For people who want to help secure the future of their favorite charities, our endowed Designated Funds give nonprofits a steady stream of income, plus planned giving and investment management services."

IRA MARKET SHARES BY HOLDER, 2001-2005 ($ billions, end of year)

By holder	2001	2002	2003	2004	2005
Commercial banking	$160.1	$165.6	$166.0	$168.0	$170.5
Saving institutions	54.6	53.8	55.1	53.7	53.8
Credit unions	39.9	43.3	46.8	47.7	49.3
Life insurance companies	251.0	308.3	338.4	376.0	407.0
Money market mutual funds	172.0	190.0	171.0	153.0	162.0
Mutual funds	961.3	822.0	1,095.0	1,279.0	1,432.0
Other self-directed accounts	980.1	950.0	1,118.6	1,258.7	1,392.4
Total	**2,619.0**	**2,533.0**	**2,991.0**	**3,336.0**	**3,667.0**
Source: Board of Governors of the Federal Reserve System					

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