Roth IRA conversion and charitable giving

Are you considering converting your traditional IRA to a Roth IRA? You may be able to lessen the tax impact through charitable giving.

When you convert a traditional IRA to a Roth IRA, it typically generates an income tax. If you itemize deductions, you may be able to reduce that tax obligation and receive a charitable deduction by making a gift of cash, stock, mutual funds or real estate to Thrivent Charitable Impact & Investing™.

Benefits of giving

By making a charitable gift at the time of your Roth IRA conversion, you can offset tax liabilities associated with the Roth IRA conversion. By giving to a donor-advised fund at Thrivent, you can:

- Have the flexibility to give to causes and charities that match your giving interests and the freedom to make changes in the future. You can provide immediate and long-term charitable support, and remain anonymous if you wish.

- Fulfill your charitable giving goals, involving family in your giving plan if you wish.

- Maximize estate planning with traditional and Roth IRAs.

Roth IRA conversions involve important timing and tax considerations. Please consult with your tax or legal professionals prior to making a gift. Gifts to charity are irrevocable.

How it works

Donors → Gift of assets to donor-advised fund → Donor-advised fund → Support to your favorite causes & charities

IRA conversion to Roth IRA → Potential charitable tax deduction offsets taxable income generated from IRA conversion
Donor story: Gift of stock

The donor. A woman wanted to convert part of her traditional IRA to a Roth IRA. She also owned some highly appreciated stock in a separate portfolio she wanted to liquidate.

Her gift. Through her charitable gift of stock, she received a charitable deduction equal to the fair market value of the stock that could be used to help offset some of the income realized in the Roth IRA conversion. She now makes grant recommendations from her donor-advised fund to her favorite charities.

Donor story: Gift to create income

The donor. A man with highly appreciated real estate was concerned about the taxes he would pay on the sale. He also wanted to convert his traditional IRA to a Roth IRA and leave it to his children upon his death.

His gift. He gave the real estate to a charitable remainder unitrust at Thrivent. The trust sold the real estate tax-free and makes income payments to the donor for the rest of his life. The gift of real estate to the trust generated a charitable deduction he used to help offset some of the income realized by the Roth IRA conversion. Upon his death, the remainder amount from his trust will be used to create a donor-advised fund that will provide grants in his name to his recommended charities.

About us

We believe humanity thrives when people make the most of all they’ve been given. Thrivent Charitable Impact & Investing helps people do just that—bring their generosity to life so that they can support the organizations and causes closest to their hearts, now and into the future. Grounded in our purpose to serve, we take a holistic, personalized approach to help our donors create strategic charitable plans and give in a way that best reflects their values and financial priorities. Together, we are committed to creating positive impact and inspiring lasting change in our communities.

Are you ready to make the most of your giving?

Thrivent can help you determine if a Roth IRA conversion is right for you. Contact your Thrivent financial professional, visit thriventcharitable.com or call 800-365-4172.