

## Planned Giving Tax Update 2020

### **SECURE Act (December 2019)**

- Increases age to start Required Minimum Distributions from age 70.5 to 72
  - o Does NOT change age 70.5 for Qualified Charitable Distributions (QCD)
- Requires inherited retirement accounts (e.g. IRAs) to be distributed within 10 years after the date of death (with certain exceptions) versus previous law which typically was over the beneficiary's lifetime
- Individuals with earned income over age 70.5 can now make Traditional IRA contributions (up to \$7,000 for 2020)
  - o Future QCD's must be reduced by Traditional IRA contributions made after age 70.5!

### **CARES Act (March 2020)**

- \$300 "Above the Line" deduction for cash donations for non-itemizers (excluding donor advised funds & supporting organizations under Section 509a3) in 2020
- Increase from 60% to 100% deduction for cash donations in 2020 with 5-year carryforward of unused deduction
- Waiver of Required Minimum Distributions for 2020

### **Planned Giving Strategies**

- Qualified Charitable Distributions from IRAs (must be age 70.5 or older!)
  - o Distribution not treated as taxable income
  - o Distribution not included in Adjusted Gross Income (which affects taxation of Social Security benefits & other deductions/credits/taxes)
- Appreciated Stock or Mutual Funds (held for more than one year in non-retirement accounts)
  - o Avoids capital gains tax
- Retirement Account Beneficiary Designations
  - o Name charity on tax-deferred accounts & people on Roth or non-retirement assets