

The Legacy IRA Act

The Legacy IRA Act, as part of the SECURE Act 2.0 of the Consolidated Appropriations Act, 2023, creates new charitable gift planning opportunities for donors starting at age 70½.

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The Legacy IRA Act is a win-win, both for seniors who want to support philanthropic causes and for charitable organizations that benefit from individual philanthropy. By building on the IRA Charitable Rollover, which has generated millions of dollars in new or increased contributions to local and national charities, this bill would allow more seniors to benefit from the rollover and make tax-free charitable contributions.

Suzie Upton, Chief Operating Officer for the American Heart Association

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Qualified Charitable Distributions (QCD)

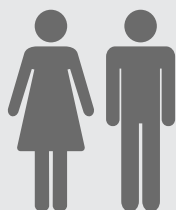
The annual qualified charitable distribution (QCD) limit of \$100,000 will be indexed for direct gifts to charity starting in 2024. Individuals age 70½ or older are permitted to make distributions from their IRA directly to charity and avoid reporting of the income.

Why Use a Qualified Charitable Distribution?

- It is a unique opportunity for donors age 70½ and older to give up to \$100,000 annually (indexed for inflation).
- It's a tax savings. Because the distribution isn't taxable income, it's effectively a charitable deduction.
- You can direct your gift to a specific fund or purpose within the American Heart Association.
- The distribution can count towards your annual required minimum distribution (RMD).

How It Works

- 1 Notify your IRA custodian to make a direct transfer of the gift amount from your IRA to the Association.
- 2 Obtain a written acknowledgment from the Association (different from a tax deduction receipt) to benefit from the tax-free treatment.



Donor 70½ or Older



Retirement Plan



A Gift that Can Provide Income for Life

The Legacy IRA Act expanded the definition of qualified charitable distributions to include certain distributions to create life income gifts, specifically charitable gift annuities (CGA) and charitable remainder trusts (CRT).

The bill allows IRA owners to make a one-time distribution for a charitable gift annuity or charitable remainder trust. This is limited to a maximum of \$50,000, and although not limited to a single gift, must be completed in a single year and only once during the lifetime of the IRA owner.

If you're looking for an option that could maintain your current lifestyle, increase your financial security, and lower your taxes, consider creating a charitable gift annuity. You will receive fixed annual payments for as long as you live and your gift will make a difference in our future.

How It Works



1 You instruct your IRA custodian to make a direct transfer of your gift amount to the Association.

2 The Association pays you, or you and your spouse fixed income for life.

3 The remaining funds pass to the Association when the contract ends.

Summary of Legacy IRA Act Changes

	Prior to January 1, 2023	Current Law
Age	70½	70½
Limit on QCD to split interest entities (CRUTs, CRATs, CGAs)	Not available	\$50,000
IRA Charitable Rollover gift limit per year	\$100,000, not indexed for inflation	Kept at \$100,000, indexed for inflation starting in 2024
Occurrence	No limit on number of rollover gifts	Limits split interest gifts to one time only, no limit on number of rollover gifts
Effective time period	Permanent	Permanent, effective immediately, indexing for inflation after 2023