



Taking Advantage of the Tax Code:
SECURE Act 2.0 & IRA QCD's

Learning Objectives

1. Understand SECURE Act 2.0 and how it affects charitable giving
2. How can donors make gifts using their IRA QCD's
3. How can you use this information to grow relationships with professional advisors
4. We will discuss other options to consider

What is SECURE Act 2.0?

- The SECURE 2.0 Act of 2022 is a law designed to substantially improve retirement savings options—including 401(k)s and 403(b)s—in the U.S.
- It builds on the Setting Every Community Up for Retirement Enhancement (SECURE) Act of 2019.
- SECURE 2.0 was signed into law by President Joseph R. Biden on Dec. 29, 2022, as part of the Consolidated Appropriations Act (CAA) of 2023.

Key Takeaways for SECURE Act 2.0

- SECURE 2.0 Act of 2022, part of the Consolidated Appropriations Act (CAA) of 2023, builds on and expands the SECURE Act of 2019 to improve retirement-savings opportunities.
- The Act contains 92 new provisions to promote savings, boost incentives for businesses, and offer more flexibility to those saving for retirement.
- Provisions include automatic 401(k) enrollment, an increase in the age for taking RMDs, significant tax benefits for employers, and much more.
- The legislation in both chambers enjoyed broad bipartisan support.

New RMD Rules

- Under previous law, retirees had to begin taking required minimum distributions (RMDs) at age 72. SECURE 2.0, Section 107, increases the required minimum distribution age to 73, beginning on Jan. 1, 2023, and to 75, beginning in 2033.
- Specifically, the RMD age increased to 73 for individuals who turned 72 after Dec. 31, 2022, or who will turn 72 before Jan. 1, 2033. It will increase to 75 for individuals turning 74 after Dec. 31, 2032.

SECURE Act 2.0 and Donations from IRA's

- For charitably inclined Americans, SECURE 2.0 encourages taxpayers to use their IRAs to support their favorite charity. Taxpayers over age 70 ½ are permitted to make qualified charitable distributions (“QCDs”) of up to \$100,000 from their IRA each year and avoid recognizing income on the distribution.
- A QCD is a direct transfer of funds from an Individual Retirement Account (IRA) to a qualified charity.
- QCDs can be counted toward satisfying required minimum distributions (RMDs) for the year if certain rules are met.

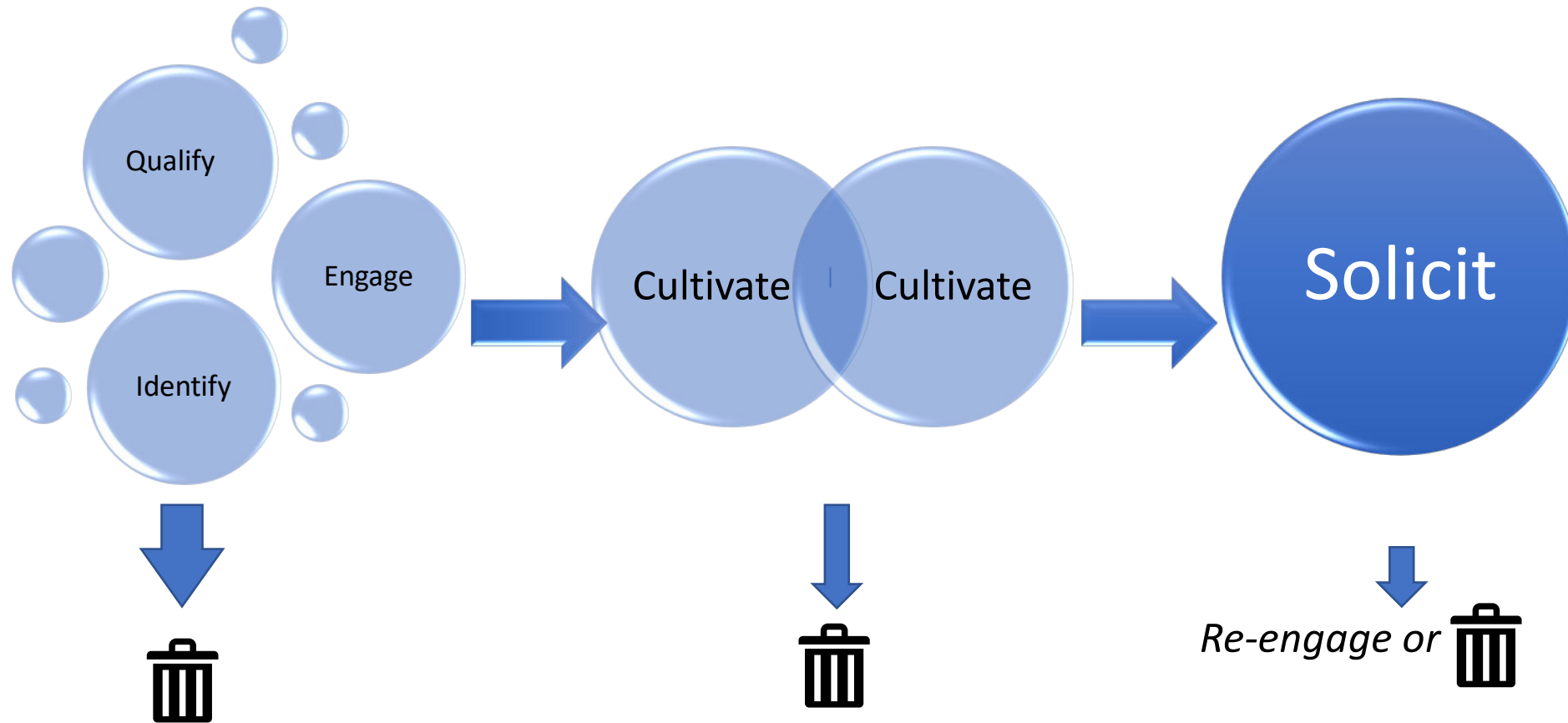
One-time, Split-interest Election

- Section 307 includes a one-time election for a QCD to a split-interest entity. This indicates an ability for donors to make a QCD of up to \$50,000 to fund one of either a Charitable Remainder Unitrust (CRUT), Charitable Remainder Annuity Trust (CRAT) or Charitable Gift Annuity (CGA).

How to Uncover Opportunities for Gifts from IRAs

- Make your existing donors aware that your organization has ideas to help them with gifts from their IRA.
- Share donor stories when your donors make gifts from their IRA either during their life or in their estate.
- Make presentations at Board Meetings, with long-term employees and offer seminars to potential donors that make all aware of gifts from their IRAs and the benefits to those that make them.
- Develop relationships with professional advisors and let them know how they can assist with cultivating gifts from IRAs.

Working Smarter with the Core Process



Next Steps for You to Take Today

- Make a plan to increase gifts from IRAs
- Set a goal to have conversations with existing donors
- Add information about gifts from IRAs in your marketing material
- Plan for one activity or presentation each quarter to highlight gifts from IRAs
- Set a metric for the number of meetings with professional advisors each month
- Work your plan!

Wrap Up / Q & A

