2023 Secure Act Highlights

A new year has brought more than just resolutions. It's brought new laws and other changes that may affect your giving decisions. And with any economic change, you may be looking at your finances and wondering how you will be impacted.

The new laws include retirement changes, known collectively as "Secure 2.0," that may affect your saving and your giving. They may even make it easier for you to make a difference at organizations you care about. Here are three important things that Secure 2.0 does:

1. **Increases the required minimum distribution (RMD) age**

   The new law increases the age retirees must begin taking taxable withdrawals to 73 in 2023 and 75 by 2033, up from the previous 72. It ***does not***, however, increase the age when an IRA owner can take a qualified charitable distribution. That remains at 70½.

   How does this affect me?
   Simply put, the extension of the RMD age gives you more time to save. You will enjoy additional tax-free growth. It also can be significant if you do not want to begin withdrawing retirement funds during an unsettled economic climate, giving you more time for your stock portfolio to recover.

2. **Adjusts for inflation the $100,000 annual limit on direct gifts to qualified charities from your IRA**

   Are you 70½ or older? If so, you may know about a popular gift option that allows you to make a gift directly from your IRA to a qualified charity without paying income taxes on the distribution. Historically, the amount you could give was capped at $100,000 per year. This figure will now be adjusted annually for inflation.

   How does this affect me?
   This allows you to not only increase your giving but also ensure that your giving keeps pace with inflation. And you can make an impact—and *see* that impact—now rather than after your lifetime.

3. **Allows for a distribution from your IRA to fund a life-income gift**

If you are 70½ or older, you can make a one-time election for a qualified charitable distribution of up to $50,000 (without being taxed) from your IRA to fund a life-income gift such as a charitable gift annuity, charitable remainder unitrust or charitable remainder annuity trust.

How does this affect me?

These types of life-income gifts allow you to make a gift to a qualified charitable organization and receive lifetime payments to boost your retirement income, or provide a lifetime payment for a spouse, family member or other beneficiary.

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