

Consolidated Appropriations Act of 2023 and Your Support



Thank you for your support of Carleton College. At the start of this new year, we'd like to remind you that we welcome your questions. If you are considering making a gift—perhaps taking advantage of one of the new opportunities presented below—please contact us.

The Consolidated Appropriations Act (CAA) of 2023 updates several charitable giving provisions set by the CARES ACT and CAA-2021. While most of your giving options have not changed, there are a few key points to note, and a new opportunity.

HIGHLIGHTS OF CAA-2023:

A GIFT FROM YOUR IRA REMAINS A GREAT OPPORTUNITY

If you are 70½ or older, you can make a gift from your IRA or name Carleton College as a beneficiary.

- Carleton College will benefit from your gift today; you can see your generosity in real time.
- You pay no income taxes on the gift. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions.
- Since the gift doesn't count as income, it can reduce your annual income level, which could lower your income taxes.

Note that under the Secure Act 2.0, the age at which you are required to make minimum distributions (RMD) was raised to age 73 for individuals born between 1951 and 1959, and age 75 for those born in 1960 or later.

NEW QCD – LIFE INCOME GIFT

CAA 2023 allows for a one-time distribution to create a life income gift, most commonly a charitable gift annuity (CGA), and charitable remainder unitrusts (CRT) or annuity trusts. This new type of QCD is a one-time maximum transfer of \$50,000 to a qualified CRT, or in exchange with a charity for a CGA.

*Important terms and conditions apply. Please contact our office or your financial advisor.

This type of gift will reduce the value of your IRA, therefore reducing your future RMDs (as they will be based on the lower value). Also, a CGA provides a constant guaranteed lifetime stream of revenue. Using a distribution from your IRA to create an annuity is a savvy way to diversify your holdings and lock in a great return.

As always, we recommend that you consult a qualified advisor before making a new gift commitment.

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This document is informational and educational in nature. It is not offering professional tax, legal, or accounting advice. For specific advice about the effect of any planning concept on your tax or financial situation or with your estate, please consult a qualified professional advisor.

FOR MORE INFORMATION

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