



Talking Points on Legacy IRA Act

Incentivizing Giving through the IRA Charitable Rollover

- Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions that benefit students and the educational institutions that serve them.
- Individuals age 70 ½ and above must take mandatory distributions from their individual retirement accounts (IRAs). These distributions are fully taxed.
- The IRA Charitable Rollover allows individuals to give up to \$100,000 annually of their IRA distributions directly to charitable organizations, including educational institutions, without counting the distributions as income.
- Post tax reform, nearly 90 percent of Americans, particularly middle- and low-income taxpayers, will not be incentivized to give more because they do not itemize their tax returns. Seniors are a large share of charities' donor base and it is estimated that they have about \$3 to \$5 trillion in IRA assets.
- Because the IRA Charitable Rollover allows seniors to exclude charitable distributions from income and is not tied directly to the charitable deduction, taxpayers with significant IRA resources, regardless of itemizing status, will still benefit from this important charitable giving incentive.

Lawmakers Should Support the Legacy IRA Act

- Senators Kevin Cramer (R-ND) and Debbie Stabenow (D-MI) have introduced the Legacy IRA Act (S. 1257), a bill that would expand the IRA Charitable Rollover by allowing taxpayers age 65 or over to direct up to \$400,000 annually in IRA distributions to educational institutions through split-interest entities such as charitable gift annuities and charitable remainder trusts.
- Representatives Don Beyer (D-VA) and Mike Kelly (R-PA) have introduced the House version of the Legacy IRA Act (H.R. 3832).
- The Legacy IRA Act will allow more seniors to benefit from the IRA charitable rollover and, who make up at least half of a charity's most loyal donors, to make tax-free gifts and will also help educational institutions continue raising the funds they need to achieve their critical missions.
- **THE ASK** - We urge Senator/Representative **[insert name]** to co-sponsor the Legacy IRA Act and to push for its enactment.