



New Retirement Savings Laws May Change How You Save – and Give!

Changes in new laws, known collectively as “Secure 2.0,” may affect your retirement plans. These changes may even make it easier for you to make a difference at organizations you care about.

- **Increases the required minimum distribution age (RMD)**

Secure 2.0 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 change the age an IRA owner can make a qualified charitable distribution. That age remains 70½.

The extension of the RMD age gives you more time to enjoy tax-free growth in your retirement savings. 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.

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

You may know that Qualified Charitable Distributions are a popular gift option that allows you to make a gift directly from your IRA to a charity without paying income taxes on the distribution if you are 70½ or older. Historically, the amount you could give was capped at \$100,000 per year. This figure will now be adjusted annually for inflation beginning in 2024.

This allows you to not only increase your giving but also ensure your giving keeps pace with inflation. And you can make an impact – and see that impact – now rather than after your lifetime.

- **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 qualified charitable distribution of up to \$50,000 (without being taxed) from your IRA to fund a charitable remainder trust, or charitable remainder annuity trust.

These types of life-income gifts allow you to make a gift to a charity and receive lifetime payments to boost your retirement income, or provide a lifetime payment for you or your spouse.

Not sure where to start? Contact your financial advisor.

Want to join our Legacy Society? Contact Donor Relations Manager Kelly Schlicht at 414-316-5611 or kschlicht@milwaukeehabitat.org