

Defend the Environment with a QCD-Funded CGA



The natural world is interconnected, and when we fight to protect the honey bee, we fight to protect the planet.
Pakhnyushcha / Shutterstock

A Secure Future for You and the Planet

When you create a charitable gift annuity (CGA) with Earthjustice, you help build a more secure future for the planet, its people, and yourself. **Under a law effective in 2023, some donors over the age of 70½ may use a qualified charitable distribution (QCD) from their IRA to fund a CGA, receiving lifetime payments in return.**

If you need to take a required minimum distribution (RMD) from your IRA because you are 73 or older, your QCD can satisfy part or all of your RMD without creating taxable income.

A **charitable gift annuity** is a contract between you and Earthjustice. You make a gift of \$10,000 or more (\$20,000 for couples), and Earthjustice pays you a fixed amount of money each year for life. Your payment rate depends upon your age at the time of your gift and does not change for the rest of your lifetime.

A **qualified charitable distribution** is a distribution from your IRA directly to Earthjustice. You can make a QCD if you are at least age 70½ at the time of your gift. Unlike other distributions from your retirement accounts, you pay no income tax on a QCD, although there is no charitable deduction for your contribution.

The SECURE 2.0 Act

SECURE 2.0 allows, under limited circumstances, a donor to fund a charitable gift annuity with a QCD. Here are some guidelines.

Guidelines for the QCD-Funded CGA

This is a one-time only opportunity. Donors can use a QCD to fund a CGA only once in their lifetime. This differs from regular QCDs, which can be made year after year.

The QCD must be a direct transfer from your IRA provider to Earthjustice, and **the amount of the QCD cannot exceed \$54,000.**

You may make multiple QCD-funded CGAs to various charities, but they must all be completed in the same tax year, and the combined total of the QCDs cannot exceed the \$54,000 limit.

No income tax deduction is available for your QCD since the amount withdrawn from your IRA is already excluded from your taxable income. **This can provide tax benefits whether you itemize or take the standard deduction.**

The CGA payments received by the donor are treated as income and subject to income tax. Also note that **CGA payments cannot be deferred for more than one year.**

Only the donor and their spouse can benefit from a QCD-funded CGA. The annuity payments cannot be extended to other family members or loved ones.

Spouses can each contribute up to \$54,000 from their respective IRAs to fund a two-life CGA, which provides guaranteed payments for both of their lifetimes.

Married couples can also fund a two-life charitable remainder trust (CRT) with QCDs. The combined minimum contribution is \$100,000.



Amtrak maintenance facility in Oakland, California. With your help, Earthjustice is working with regulators and partners in California to bring the state's rail system to zero emissions. *Silentfoto / Getty Images*

We're Here to Help

Planned giving experts at Earthjustice welcome the opportunity to speak with you about QCD-funded CGAs or other legacy giving options. We invite you to email or call us to get started.

Contact:

Julie Carlevaro
Sr. Gift Planning Officer, Life Income Giving
jcarlevaro@earthjustice.org
415-217-2157 (direct)
800-584-6460 (main)

Learn more at earthjustice.org/QCDtoCGA

Earthjustice

50 California Street, Suite 500
San Francisco, CA 94111
Tax ID #: 94-1730465