

## THE CARES ACT

### What you should know

The Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act, was passed by Congress on March 27, 2020. Included in the economic stimulus package are changes that may have an impact on philanthropy. Here are a few things to note:

#### 2020 Charitable Incentives for Individual Donors:

- Increased Charitable Deduction Limits
  - For those who plan to itemize, the existing cap on annual contributions has increased from 60% to 100% of their adjusted gross income (AGI)
- \$300 Charitable Deduction for All Taxpayers
  - Charitable contributions of up to \$300 may be deducted as an above-the-line deduction from all taxpayer's AGI

#### What types of gifts qualify?

- Contributions must be in the form of cash
- Not applicable for contributions made to donor-advised funds or non-operating private foundations
- Only applies to charitable gifts made in the 2020 calendar year

#### Required Minimum Distributions (RMD) Have Been Waived for 2020

- There will be no RMD in 2020 for IRAs or other qualified retirement plans
- Donors who are the age of 70 ½ may still choose to make a qualified charitable distribution (QCD) through their IRA up to \$100,000. A QCD would be excluded from taxable income, and would also lower the IRA balance for future RMDs.

#### Penalty-Free Withdrawal from Retirement Plans

- Those younger than 59½ will not be subject to the 10% early-withdrawal penalty for up to \$100,000 from retirement plans if they qualify for COVID-related hardship
- You have up to three years to pay taxes and replace any withdrawals made

The planned giving team encourages you to consult with your professional advisor to ensure you are informed of your options. If you have questions on how the CARES Act may impact your giving to Orlando Health, or if you would like to discuss tax-wise ways of giving, please contact:

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