

New Year's Resolutions and Hopes for the Philanthropic Community for 2023

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New Year's Resolutions are by definition not based on logic or even resolve, but rather on hopes that we can be better: that the world will be better. The year 2023 brings a new year of possibility for the non-profit world. We have several sincere (and one outlandish) hopes for the year.

Hope #1: Success for the Charitable IRA Act

We have all advocated, it seems like forever, for Congress to allow direct charitable distributions from an IRA into a CGA or CRUT and for the limits of Qualified Charitable Distributions from an IRA to be raised. This effort has come closer than ever before in 2022 to enactment as it passed the House and then was reported out of the Senate Finance Committee.

If it does not pass in 2022, we hope that the bill is revived again in the new Congress and that the House version emerges victorious in both the House and the Senate, raising the annual QCD limit to \$400,000, and allowing a distribution to a life income gift every year without the current one-time \$50,000 limit included in the current Senate version. But we will take the Senate version over nothing.

Hope #2: Permanent extension of the current estate and gift tax exemptions (with annual Cost of Living increases)

We need this extension to be permanent (not about to end in 2026) so we can all make clever estate plans, because a number of us (yes, us!) are of "estate planning age." And, of course, the amount should always be at least \$1million more than we have in our own estates.

Hope #3: Simplification of the estate transfer process for current gifts of mutual funds and for IRA distributions

We hope that financial fund administrators finally collectively shape up in 2023.

As many of us know, current gifts of mutual fund shares are far more complicated to give than direct gifts of appreciated stock. Often mutual fund "families" require a charity to open an account with that "family" before they will transfer shares from a donor to the charity. Opening such an account takes way too much time and energy. We hope that transferring mutual fund shares could be as easy as transferring shares of stock, requiring little more than a transfer to the charity's broker, in much the same way as a mutual fund owner can redeem shares to his or her own account.

Many of us have also known of charities that have experienced difficulty in receiving IRA assets from estates that have named a charity as a direct beneficiary. Johni Hays and Charles Schultz and others have made yeoman efforts to correct this process, but often charities have to take aggressive initiatives to force IRA administrators to relinquish control. Our utopian hope is that

the IRA industry (not exactly known for utopian actions, or even intentions) will collectively recognize the need for change and institute an industry-wide new set of procedures that will make transfers of IRA beneficiary designations to charity simple and rapid.

Hope #4: New elected officials understand and act on the importance of all the above

And they will work unselfishly for the utopian causes that our charities espouse—food, shelter, education for all, and the other things that improve the lives of all of us--instead of increased benefits for millionaires.