Help Seniors Increase Charitable Giving

Legacy IRA Act of 2021

The Issue
The undersigned nonprofit organizations support legislation allowing middle-income seniors more flexibility to make gifts to charities through their individual retirement accounts (IRAs). This expansion of current law would increase critical charitable giving, now more important than ever as nonprofits lost nearly one million jobs due to the pandemic. Given trends over the last six months, it will take nearly 18 months for nonprofits to regain all of the jobs lost since COVID hit.

Despite the financial and operational challenges due to COVID-19, our nonprofit coalition partners have continued to provide critical services such as health research and patient education, food assistance, domestic violence services, childcare, youth homeless shelters, and virtual cultural and arts programming.

The Legislation
In 2015, Congress passed the PATH Act, which included the IRA Charitable Rollover provision allowing individuals to make direct tax-free charitable gifts up to $100,000 annually from their IRA starting at age 70 ½. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions to local and national charities. The Legacy IRA Act builds on that success to expand the existing IRA Charitable Rollover, allowing seniors starting at age 65 to make tax-free IRA rollovers to charities through life-income plans (charitable gift annuity or charitable remainder trust).
The Legacy IRA Act offers an opportunity for Congress to support middle-income seniors who have a charitable intent but need retirement income. Charitable donors have been setting up charitable gift annuities for more than 100 years, which have long been regulated by state insurance departments. The donor receives lifetime payments, and the charity receives any remainder when the donor passes away.

The Legacy IRA Act provides seniors who have planned well for retirement with another giving option by allowing them to use their IRAs to fund a gift annuity. It is estimated that seniors have up to $5 trillion in IRA assets. This offers a way for middle-income donors to combine charitable gifts with retirement income. It helps existing charities, as seniors typically make up more than half of their donors.

The undersigned coalition of nearly 60 national nonprofits support the bipartisan Legacy IRA Act. In the 117th Congress, Senators Cramer and Stabenow introduced The Legacy IRA Act (S. 243). A modified version of the Legacy IRA Act (H.R. 2909) was introduced by Representatives Beyer and Kelly. This modified proposal allows for a one-time funding of life income gifts up to $50,000 and indexes for inflation the original IRA Rollover provision. H.R. 2909 was included in the bipartisan Securing a Strong Retirement Act of 2021 (H.R. 2954) introduced by House Ways and Means Committee Chairman Neal and Ranking Member Brady. The Securing a Strong Retirement Act of 2021 was unanimously approved by the committee in May 2021. This coalition strongly supports the bipartisan Legacy IRA Act and urges Congress to pass the legislation on its own or as part of a broader retirement package.

Supporters
Arab Community Center for Economic and Social Services (ACCESS) 
ALS Association 
Alternate ROOTS 
Alzheimer's Association and the Alzheimer's Impact Movement 
American Alliance of Museums 
American Cancer Society Cancer Action Network 
American Council for Gift Annuities 
American Heart Association 
American Lung Association 
American Red Cross 
Americans for the Arts 
Asian Pacific Community Fund 
Association of Art Museum Directors 
Association of Fundraising Professionals 
Boys & Girls Clubs of America 
Catholic Charities USA 
Council for Advancement and Support of Education
Council for Christian Colleges & Universities 
Covenant House International 
DANCE/USA 
The Evangelical Lutheran Good Samaritan Society 
Girl Scouts of the USA 
Girls Inc. 
Goodwill USA 
Habitat for Humanity International 
Hemophilia Federation of America 
Immune Deficiency Foundation 
Independent Sector 
JDRF 
Jewish Federations of North America 
League of American Orchestras 
Lutheran Services in America 
March of Dimes 
Mental Health America 
National Alliance on Mental Illness 
National Association of Charitable Gift Planners 
National Association of College and University Business Officers 
National Community Action Partnership 
National Council of Nonprofits 
National Health Council 
National Multiple Sclerosis Society 
The Nonprofit Alliance 
OPERA America 
Performing Arts Alliance 
Providence St. Joseph Health 
The Salvation Army USA 
ServiceSource, Inc. 
Social Current 
Theatre Communications Group 
UNICEF USA 
United Philanthropy Forum 
United Way Worldwide 
Volunteers of America 
YMCA of the USA 
YWCA USA

We urge Members of Congress to support the Legacy IRA Act. For more information about the bill, please contact Emily Horowitz at American Heart Association at Emily.horowitz@heart.org.