

February 15, 2023

Dear Muhlenberg Alumni, Parents and Friends,

I thought you might be interested in learning about a significant bill that was signed into law at the end of December that may affect many members of our Muhlenberg community.

The new laws include retirement changes, known collectively as the SECURE 2.0 Act. Here are three important things that SECURE 2.0 does:

1. Increases the required minimum distribution age (RMD)

The new law 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*, however, increase the age when an IRA owner can take a qualified charitable distribution. That remains at 70½.

How does this affect Muhlenberg community members?

Simply put, the extension of the RMD age gives you more time to save. You will enjoy additional tax-free growth. 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.

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

Are you 70 ½ or older? If so, you may know about a popular gift option that allows you to make a gift directly from your IRA to a qualified charity without paying income taxes on the distribution. Historically, the amount you could give was capped at \$100,000 per year. This figure will now be adjusted annually for inflation.

How does this affect Muhlenberg community members?

This allows them to not only increase their giving but also ensure that their giving keeps pace with inflation. And they can make an impact—and see that impact—right now rather than after their lifetime.

3. 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 election for a qualified charitable distribution of up to \$50,000 (without being taxed) from your IRA to fund a life-income gift such as a charitable gift annuity, charitable remainder unitrust or charitable remainder annuity trust.

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These types of life-income gifts allow you to make a gift to a qualified charitable organization and receive lifetime payments to boost your retirement income, or provide a lifetime payment for a spouse, family member or other beneficiary.

I'm also sharing a FAQ that I received from PGCcalc, a planned giving organization that provides additional information on the third point. Click [here](#).

Please feel free to let me know if you have any questions or any information that I am overlooking. And remember, ***Muhlenberg College does not give personal financial or legal advice, and all donors are advised to consult their financial and legal advisors.***

Sincerely,
Ted Kocher
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Muhlenberg College

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