GIANT, IMPORTANT DISCLAIMER: WE AREN'T GIVING LEGAL, TAX OR FINANCIAL ADVICE. PLEASE SEEK YOUR OWN COUNSEL FOR ANY DONATIONS. MANY OF THESE QUESTIONS ARE OPEN TO SOME INTERPRETATION, ARE GENERAL IN NATURE OR ARE UNIQUE TO A PARTICULAR JURISDICTION. ASSUME ALL ANSWERS ARE WRONG UNTIL YOU/YOUR DONOR CONFIRMS WITH HER/HIS ADVISOR.

Q & A from "Santa Delivers Secure Act 2.0: QCDs to CRTs and CGAs" <January, 2023>

Scenario 2: charity's minimum to create a CRT is $100k. Two IRA owners (either related or not), both at least 70 1/2 years old, each distribute $50k from their respective IRA accounts to create one CRT. They want only one of them to receive the income payments. Is this allowed?	CRT must be for the benefit of the IRA participant and/or her spouse only. So as the question is framed, the answer is no.
Are Pooled Income vehicles excluded from this QCD transfer provision?	Yes, excluded. The statute defines the "split interest entity" to which a "Legacy IRA" rollover can be made to include only CRTs and gift annuities. Possibly the issue is that the payout from a pooled income fund need not be at least five pct.
Scenario 2 assumes the two IRA owners are not spouses.	The participant and/or her spouse are the only permitted beneficiaries of a CRT funded by QCDs.
Can a CGA be established with a QCD that will benefit a DAF or Supporting Organization in the end?	This is a matter of some uncertainty. The statute says a "legacy" QCD must go to a CRT or a gift annuity, but it does not expressly state that the remainder beneficiary or the issuer must be a 170(b)(1)(A) charity, which is the rule with respect to direct QCDs. It is possible IRS will issue guidance imposing the direct QCD limitations on "legacy" QCDs, but this reading is not directly supported by the language of the statute.
Can a donor give QCD $50k for a CGA and in the same year $50k for a regular QCD gift to the same org?	Yes. The $50k "legacy" QCD does count toward the $100k limit, but you can still use the remaining $50k for a direct QCD.

Can a donor give a $50K QCD and $50k cash or securities to create a $100K CGA?	No, the statute requires that a CRT or gift annuity funded by a "legacy" QCD include funding from no other source.
Really interested in how/where to market it on website, etc.	Recommend talking to your marketing partner. Should fit well on your Planned Giving pages. Selling points might include (a) the $50k does count toward the minimum required distribution from your IRA, (b) it does not come into gross income in the current year, i.e., it is like an above the line deduction, and (c) the tax incidence on the $50k is spread out over twenty-odd years.
Can donor do a $50k QCD CGA plus another CGA of $100k (since the limit is $100k) or is it $100k total, inclusive of the QCD funding?	A gift annuity funded from a "legacy" QCD can be funded only up to $50k. There is no limit to the amount with which you can fund another gift annuity from other sources. But the two sources cannot be combined in a single gift annuity contract.
Is the 50K QCD CGA/CRT in addition to the $100K regular QCD? Or is the 50K included in the total $100K?	The $50k "legacy" QCD limit is included within the $100k limit on QCDs for that year.
Can a gift annuity be purchased in another person's name? For example, retiring CEO wants to put in the money for an executive assistant who is retiring and wants to provide life income for that assistant.	While in general you can certainly fund a gift annuity for anyone's benefit, a gift annuity funded from a "legacy" QCD can benefit only the IRA participant and/or her spouse.
How is the IRS going to oversee this? Will the charity be held responsible in any way?	There will likely be a line on the 1040 to make the Legacy IRA election, just as there is for the direct QCD. The issuing charity will be responsible to issue 1099Rs showing the entire annuity payout as ordinary income, with no recovery of investment.
He just said that the $50,000 Legacy IRA would count as part of the $100,000 that is allowed to be given through a QCD. This is not my understanding. Please help clarify. Thank you.	Russ was correct. I can do a $50K CGA funded with a QCD and in the same year also do a $50K QCD direct to charity, but the $50k "legacy" QCD does count toward my $100k limit in that year.
Can the CGA remainder go into a DAF (which is excluded from QCD distributions)?	The statute literally requires only that the "legacy" QCD go into a remainder trust or a gift annuity contract. It does not specify that the trust remainderman or the gift annuity issuer must be a 170(b)(1)(A) public charity other than a supporting org or a donor advised fund.

	It is possible IRS will issue guidance imposing this limitation, but the statutory language does not support it.
Any provisions for an inherited IRA?	Just as you could do a direct QCD from an inherited IRA, you should be able to do a "legacy" QCD from an inherited IRA. The beneficiary would have to be age 70-1/2 or older.
"One and done" - is that once per year, or once per lifetime?	Unfortunately, it is once per lifetime.
Can a QCD fund a flip CRUT?	Yes, as the statute requires only that the "legacy" QCD fund either a remainder trust or a gift annuity. While it is required that a gift annuity funded from a "legacy" QCD begin payout within a year, there is nothing in the statute to prevent using a net income limitation in a CRUT.
The word "non-assignable" is jargon for those of us who are not lawyers. Will you kindly explain what that means? Does this require an adjustment to our regular gift annuity contract language?	To "assign" my rights under a contract is to transfer those rights to someone else. In the context of a gift annuity contract, typically the assignment would be to the issuing charity itself, as an additional, deductible gift. The Legacy IRA statute forbids even this. You might already have language in your gift annuity contract saying the annuity is not assignable except to the issuing charity. For a contract funded by a "legacy" QCD you cannot allow even that exception.
Thoughts on the possibility of this getting expanded to include DAFs and supporting organizations?	Anything is possible, but in the near term the focus is more likely to be on increasing the $50k limit and/or getting rid of the "one and done" limitation.
Why is there question on an inherited IRA. You can do a $100K QCD to charity with an inherited IRA if you are 70.5 correct?	Agreed there should be no question.
I thought a donor can fund a CGA with $50,000 through the Legacy IRA, and then go another $100,000 in traditional QCDs.	Again, we may need formal guidance, but the way the statute is written, it seems clear the 50k counts toward your 100k limit that year.

Will the CGA payments have any portion in future years that would be tax-deductible? Or every year will the annuity payments be taxed 100% as ordinary income?	In the typical case, you have an ordinary income component and a recovery of investment component which may or may not include unrealized gain. The new statute specifies that with a CGA funded from a QCD, there is no investment to recover. The entire annuity payout will be taxed as ordinary income.
Can you gift other assets to the NIMCRUT in a subsequent year to make the size of the assets in the NIMCRUT worthy of doing?	An express requirement of the statute is that the CRT hold only proceeds of QCDs. And because of the "one and done" limitation, you cannot add more QCD distributions to the trust in later years.
DCGAs are excluded right?	Correct. The statutory requirement is that the gift annuity commence within the year.
Can you give guidance if charities need to re-register their CGA templates with the states that require templates since we need to remove the re-assignable clause?	This is a question for your legal advisors, but if you are required to register templates, and your current templates permit assignment, this would be a separate template specific to annuity contracts funded from "legacy" QCDs.
Can a QCD be made to a Pooled Income Fund under these new rules?	No, only to a CRT or gift annuity -- probably because the payout from a pooled income fund need not be at least five pct.
Can a donor use the legacy IRA to set up a CRUT, and each year thereafter, give their $50K gift to the remainder trust once per year to build the trust?	Unfortunately, as the statute is now written, the QCD to a life income vehicle is "one and done." You cannot make a similar transfer in year two if you have done it in year one.
The easy entry to NGAF concerns me. One big risk to CGAs is the financial stability of the non-profit, particularly small charities. What is your thought to mitigate this?	Part of the purpose of NGAF is to aggregate risk in a very large pool. That is one of the main reasons NGAF exists. It provides small charities the opportunity to offer CGAs based on NGAF's financials, which are backed up by Dechomai Foundations unrestricted assets which now exceed $1B.
Two spouses, $50K each, create one two life CGAs totaling $100K or two life CGAs @ $50k each?	If both spouses are age 70-1/2 or older, they could each contribute up to $50k to one or more joint and survivor annuities. Either scenario you describe is possible.
Do you have a side-by-side illustration of comparison between $50K QCD directly to charity vs. $50K QCD to fund CGA.	In each case, the entire $50k is excluded from income, so the benefit would be at your marginal rate as if you had the full benefit of an itemized deduction, plus any knock-on benefits of having a lower adjusted gross.

	There is no further benefit from the outright QCD. The "legacy" QCD of course pays income back to the donor and/or her spouse. But the payout from the gift annuity will be entirely ordinary income, taxed at your marginal rate. The side-by-side illustration would take the $50k into income and use it to fund a gift annuity, taking a deduction for the present value of the residuum, and having a portion of the annuity payout excluded as a return of investment rather than entirely ordinary.
Great. So they simply need to run the life out on the CGA versus shutting it off early.	With respect to the gift annuity funded from a "legacy" QCD, yes, the requirement that the annuity be non-assignable would preclude "shutting it off early." But there is nothing in the statute that would preclude a term of years for a remainder trust, except that it could not continue beyond the lives of the IRA participant and/or her spouse.
So, for a $50K CGA from a QCD, the annuitants must be a donor and/or their spouse? It can't be the donor and his brother?	That is correct.
Using this CGA program is one of the best things you can bring to your not for profit and donors. Very easy to use and explain to your donors.	Thanks, Sue!!
Can the charity be a supporting organization?	There is an express exclusion for the direct QCD. But because the new provision is an election to treat the distribution to a life income vehicle "as if" it qualified, there is a question whether that restriction applies.
Based on the question & answer about DCGAs, a deferred CGA could be funded, but it would not be allowed to be deferred beyond the calendar year in which the CGA is established, correct?	That is correct. Which classifies it as an Immediate Annuity with an Annual Payout, not as a Deferred CGA.
What type of language should be in the gift annuity acknowledgment letter?	Whatever you are using for direct QCDs should suffice, except that you are acknowledging that you are issuing a gift annuity contract "in exchange."

What is your fee for this, and do you do all donor servicing?	NGAF charges a 2% annual internal fee for our Turnkey CGA Solution Program, which includes all servicing, tax reporting, state registration compliance, etc. The fee comes out of the assets and is not billed separately.
Is the full $50,000 (or another amount up to this) an amount in fulfillment of the donor's RMD or is just the charitable portion of that plan used to offset the RMD?	Great question. Answer is the entire amount counts toward your MRD.
Does the NGAF CGA contract allow donor to change the beneficial charity during the contract?	The answer is Yes or No, depending on what box you desire to check on the CGA application. The referring charity can make that decision with each donor according to your Gift Acceptance Policy.
Curious on custodians that have charitable checkbooks?	Should work the same as the direct QCD. Most large IRA Custodians will issue a checkbook to the IRA owner which allows them to write checks on their IRA account. I use it all the time to make QCDs to my charities from my IRA.
May a donor make a $50K QCD to a CRUT that is already in place?	No, the statute requires that the "legacy" QCD be the only source of funds.
And the donor can do a QCD to CGA to more than one charity if it is in the same year, yes? So $25k to ABC charity and $25k to XYZ charity.	Yes, all in one year, multiple "legacy" QCDs up to $50k in the aggregate.
Do you reinsure CGAs? If so, at what donation amount is it required?	NGAF does not reinsure CGAs itself unless the donation is over $500K and we can't mitigate the risk in other ways. That is a service performed by Bryan Clontz through Charitable Solutions, LLC. It would be best to contact Bryan Clontz direct for answers.
Can you speak to the 'role' of nonprofit gift officers (and legal limitations) in working with donors to develop annuities?	That would be something to discuss with your legal department.
Is there a maximum donation to a CGA?	Not legally. It is up to the charity. If the gift annuity is to be funded from a "legacy" QCD, the maximum is $50k.
And I thought the spouses had to have separate IRA accounts to combine?	Any IRA account is specific to one participant. If spouses have IRAs, they are separate accounts.

Is NGAF available in Puerto Rico? We have advisors there.	No, sorry! We are only registered to offer CGAs in the 50 states.
Do you (or would you consider) CGA investments that are fossil-fuel free? Other ESG screening? This is very important for some of our donors... could be a strong selling point.	At this time all our whole CGA Pool at NGAF is invested the same allocation for all donors using primarily Index ETFs.
Does your fee cover Annual State Filing Reports such as CA, NY, NJ, etc.?	Yes, for all 50 states including those mentioned.
I am concerned about the asset allocation. 40% equities and predominately the rest fixed income. With inflation, I tend to think the fixed income portfolios have been tremendously negatively impacted. Can you share more how does the CGA hedge the loss of principal?	We follow the ACGA's recommended Asset Allocation which is 40% Equities, 55% Fixed Income and 5% Cash, which is used by ACGA when they set the payout rates. The ACGA also assumes that the principal will be invaded to end up with 50% for charity at the donor's mortality age.
What are the NGAF investment model allocations again?	40% Equities, 55% Fixed Income, and 5% Cash as recommended by the ACGA. To deviate from that allocation could increase the risk to NGAF as the issuing charity, which is not good business practice.
What does the income beneficiary see on the annuity check they receive? Is it from the national entity?	Yes, it must come from NGAF, but we send a notice to the donor each time indicating that this is for the benefit of XYZ charity.
Hi! The 2% fee is multiplied by what number to yield the dollar fee to the charity?	It is multiplied by the current asset value of the investment account for the CGA. So as the account value is reduced over time from making the annuity payments, the fee reduces along with it.
We reinsure all our GAs. Does this still work?	I assume you mean for LEGACY IRA CGAs. If so, yes it would work because it would not affect the amount or taxability of the annuitant's payments.
I've been asked why someone would want to consider this option if they don't get the tax deduction. What might you say are the advantages and benefits for someone doing this given that the limit is low at $50k?	The exclusion of the QCD from income is in effect an above the line deduction. And while you are taxed on the entire annuity payout at ordinary rates, those distributions are spread out over a period of years, whereas the $50k would have been taxable in the year it was withdrawn from the IRA.

Can the CGA payments to donors be received from the generating charity?	Not sure what you mean by "generating" charity. If this is the charity issuing the CGA contract, then the answer is YES. That is the ONLY charity that can issue the payments to the donor.
If the 2% annual fee is added to the ACGA suggested payout rate, does this not increase the risk of the principal being exhausted prematurely?	No. All fees are baked into the payout rate assumptions. Those fees are going to be inherent either visibly or invisibly with any CGA program if properly accounted for.
...or is the dollar fee charged to the donor/annuitant?	Neither. It comes out of the CGA investment account directly as an expense, just like a mutual fund operates.
When I first heard about this, I was excited. But since it's all taxed as ordinary income, it's really not that exciting to me. Why not just take the RMD and use it as the recipient wishes? If they want to support a charity, just do a regular QCD.	That certainly works IF the donor does not need or want life income. No problem. Even if the Legacy IRA is improved with further legislation, increasing the $50k limit and/or getting rid of the "one and done" rule, it is unlikely the payouts will ever be anything other than ordinary income.
Rollovers must be made directly to the charity. Gifts to "supporting organizations" are prohibited according to the law. Are foundations considered a "supporting organization?"	The requirement is 170(b)(1)(A) public charities. Most private foundations do not meet this criterion. But no, a private foundation is different from a supporting organization.
...and what is the cost of reinsurance? How is it determined? Age? Life expectancy?	Yes, all of that is determined by the insurance company who is offering the reinsurance.
How would you guide discernment for a client who is debating using IRA QCD asset, cash OR appreciated stock for a CGA?	You could run side by side comparisons. The "legacy" QCD is excluded from income, in effect an above the line deduction, but the annuity payout is entirely ordinary. And you have the $50k limitation. A portion of the payout from a gift annuity funded either with cash or with appreciated property will be recovery of investment. In the case of appreciated property, a portion of that will be realized gain.
Could the donor do the IRA QCD gift annuity with a Roth IRA? I realize this might not be the most taxwise approach in most cases--if tax free, the donor could just make the withdrawal. But if there is a case where the distribution would be taxable, could the donor do the QCD?	No.

I realize that wording sounds crass as we are dealing with our wonderful donor's actual lives. I did not mean it that way! I simply meant that donors are unable to decide to end the CGA early to have more funds go to charity.	Yes, that is correct. The IRS wants theirs before the charity can get theirs!
2010CM/2000CM guidance?	The longer life expectancies under the new tables assign more value to the annuity and less to the remainder/residuum. In cases where that might be advantageous you are permitted to use the new tables even before the regs are finalized.
Can you restate Johnne's CGA overall market data - # of CGAs issued, # of CGA issuers, and perhaps # of CGAs reissued?	1.5M charities. 4,000 issue CGAs.
What was the example where they talked about a $400K gift?	The earlier versions of the proposed Legacy IRA legislation would have allowed QCDs up to $400k per year, year after year. The legislation as finally enacted falls very far short of that.
Can we discuss who the ideal donor would be for a CGA funded by a QCD? For example, if someone is concerned about their children or other non-spouse family inheriting the IRA, could this be a good gift for them? What other cases might this gift make sense as opposed to appreciated stock, etc.?	Any IRA beneficiary designation controls who can be the ultimate distributees. The primary benefits of the Legacy IRA are that the $50k is excluded from income in the year in which the gift is made, and the annuity payout is instead taxed over twenty -odd years. It is not meant to benefit heirs. A non-itemizer who wants to receive income from making a QCD with their IRA is the ideal candidate for a Legacy IRA.
Comment: you mentioned cannot go to a DAF. They also can't go to a family foundation, correct?	That is correct as to direct QCDs, question whether it might be permitted for the remainderman of a CRT, need IRS guidance.
Can you do two CGAs funded with QCD in one year? So, $10,000 QCD in February, then donor decides to do another CGA for $40,000 QCD in October of the same year?	Yes

Most charities have a standard QCD acknowledgement letter they send to donors who make a conventional QCD to their org. If the donor establishes a CRT or CGA, should that information be included in the acknowledgment letter?	Yes
I do a QCD CGA in July. Do I have to take income by December of same year or July of following year?	By July at the latest.
Can spouse 1 put $50K QCD in a CRUT in year 1 and spouse 2 put $50K QCD in the same trust in year 2? CRUT to benefit spouses.	Yes, the "one and done" limitation applies only to the individual who is making the QCD. What you are describing would apply only if the second spouse were age 70-1/2 in year one.
For the NGAF, do you take a portion of the remainder? Or is it all free?	We pass 100% of the residuum at death of donor, no hold back.
So just confirming, you can only do $50K to CGA once in your lifetime.	Yes, unless this is a foot in the door for later changes by Congress.
What "type" of donor do you think is a good fit for a CGA?	A Baby Boomer in their 70's or 80's who wants a fixed income guaranteed for life to serve as a floor to undergird their other more volatile investments, and who have a heart for philanthropy.
Can spouses each use the QCD option to contribute $50K to the same CRT to get to $100k?	Yes, if each is over 70-1/2.
Describe the characteristics of a donor for whom this would be a terrific option.	See above.
Can a supporting organization receive a QCD into a CGA if the gift is being handled on behalf of a 501.c.3 that is not a supporting organization? Same question for a CRT where the supporting organization is trustee.	Again, the statutory language on its face would appear to permit this, and nonprofit sector advocates will certainly push for IRS guidance to this effect. But we do not know yet what IRS will say in proposed guidance.

On the topic of QCDs, in your opinion, do you think QCDs will be allowed to directly fund a donor advised fund in the future? Currently QCDs can be used to fund a field of interest donor advised fund, but not an endowed donor advised fund.	Possibly, but likely paired with a requirement that the DAF distribute at least x per year.
How is the National Gift Annuity Foundation able to do CGAs in HI and AL?	We have jumped through the hoops to become registered to offer CGAs in both states.
Donors aren't limited to a QCD CGA. They can set up an additional regular CGA to give more than $50K. Correct?	Yes, but the two sources of funding cannot support the same contract.
Donor is 70.5 and spouse is 65 - is the Legacy IRA Rollover still an option if a survivorship contract, or is the option removed from the table? What if it's created by the 70.5yo for the 65yo only - permissible? If the combined ages yield a payout rate below 5%, I would surmise that the issuing charity may choose to decline issuing the annuity, or bumping the payout rate to 5%. Make sense?	YES, on all counts!
Why are we talking $50K contributions? Isn't the max $100K with these new QCD to CGA rules?	The "legacy" QCD into a life income plan is limited to $50k.
1. not able to deduct gift b/c higher standard deduction and 2. avoid higher bracket as you said and 3. avoid the IRMAA aka Medicare surcharge SPEAKING OF IRRITATING Donors - keep income down and keep client out of the next Surcharge bracket.	Hey Drake! You win the prize! Johnne
What is the current distribution % for CGA?	The ACGA recommended rates are geared to the age of the annuitant. For a single life, age 61 or older, the rates are all above five pct.
Please repeat... national membership in what? Can you give a link?	NACGP is **https://charitablegiftplanners.org/** ACGA is **https://www.acga-web.org/**

Scenario 2: charity's minimum to create a CRT is $100k. Two IRA owners (either related or not), both at least 70 1/2 years old, each distribute $50k from their respective IRA accounts to create one CRT. They want only one of them to receive the income payments. Is this allowed?	CRT must be for the benefit of the IRA participant and/or her spouse only. So as the question is framed, the answer is no.
Are Pooled Income vehicles excluded from this QCD transfer provision?	Yes, excluded. The statute defines the "split interest entity" to which a "Legacy IRA" rollover can be made to include only CRTs and gift annuities. Possibly the issue is that the payout from a pooled income fund need not be at least five pct.
Scenario 2 assumes the two IRA owners are not spouses.	The participant and/or her spouse are the only permitted beneficiaries of a CRT funded by QCDs.
Can a CGA be established with a QCD that will benefit a DAF or Supporting Organization in the end?	This is a matter of some uncertainty. The statute says a "legacy" QCD must go to a CRT or a gift annuity, but it does not expressly state that the remainder beneficiary or the issuer must be a 170(b)(1)(A) charity, which is the rule with respect to direct QCDs. It is possible IRS will issue guidance imposing the direct QCD limitations on "legacy" QCDs, but this reading is not directly supported by the language of the statute.
Can a donor give QCD $50k for a CGA and in the same year $50k for a regular QCD gift to the same org?	Yes. The $50k "legacy" QCD does count toward the $100k limit, but you can still use the remaining $50k for a direct QCD.
Can a donor give a $50K QCD and $50k cash or securities to create a $100K CGA?	No, the statute requires that a CRT or gift annuity funded by a "legacy" QCD include funding from no other source.
Really interested in how/where to market it on website, etc.	Recommend talking to your marketing partner. Should fit well on your Planned Giving pages. Selling points might include (a) the $50k does count toward the minimum required distribution from your IRA, (b) it does not come into gross income in the current year, i.e., it is like an above the line deduction, and (c) the tax incidence on the $50k is spread out over twenty-odd years.

Can donor do a $50k QCD CGA plus another CGA of $100k (since the limit is $100k) or is it $100k total, inclusive of the QCD funding?	A gift annuity funded from a "legacy" QCD can be funded only up to $50k. There is no limit to the amount with which you can fund another gift annuity from other sources. But the two sources cannot be combined in a single gift annuity contract.
Is the 50K QCD CGA/CRT in addition to the $100K regular QCD? Or is the 50K included in the total $100K?	The $50k "legacy" QCD limit is included within the $100k limit on QCDs for that year.
Can a gift annuity be purchased in another person's name? For example, retiring CEO wants to put in the money for an executive assistant who is retiring and wants to provide life income for that assistant.	While in general you can certainly fund a gift annuity for anyone's benefit, a gift annuity funded from a "legacy" QCD can benefit only the IRA participant and/or her spouse.
How is the IRS going to oversee this? Will the charity be held responsible in any way?	There will likely be a line on the 1040 to make the Legacy IRA election, just as there is for the direct QCD. The issuing charity will be responsible to issue 1099Rs showing the entire annuity payout as ordinary income, with no recovery of investment.
He just said that the $50,000 Legacy IRA would count as part of the $100,000 that is allowed to be given through a QCD. This is not my understanding. Please help clarify. Thank you.	Russ was correct. I can do a $50K CGA funded with a QCD and in the same year also do a $50K QCD direct to charity, but the $50k "legacy" QCD does count toward my $100k limit in that year.
Can the CGA remainder go into a DAF (which is excluded from QCD distributions)?	The statute literally requires only that the "legacy" QCD go into a remainder trust or a gift annuity contract. It does not specify that the trust remainderman or the gift annuity issuer must be a 170(b)(1)(A) public charity other than a supporting org or a donor advised fund. It is possible IRS will issue guidance imposing this limitation, but the statutory language does not support it.
Any provisions for an inherited IRA?	Just as you could do a direct QCD from an inherited IRA, you should be able to do a "legacy" QCD from an inherited IRA. The beneficiary would have to be age 70-1/2 or older.
"One and done" - is that once per year, or once per lifetime?	Unfortunately, it is once per lifetime.

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The word "non-assignable" is jargon for those of us who are not lawyers. Will you kindly explain what that means? Does this require an adjustment to our regular gift annuity contract language?	To "assign" my rights under a contract is to transfer those rights to someone else. In the context of a gift annuity contract, typically the assignment would be to the issuing charity itself, as an additional, deductible gift. The Legacy IRA statute forbids even this. You might already have language in your gift annuity contract saying the annuity is not assignable except to the issuing charity. For a contract funded by a "legacy" QCD you cannot allow even that exception.
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Why is there question on an inherited IRA. You can do a $100K QCD to charity with an inherited IRA if you are 70.5 correct?	Agreed there should be no question.
I thought a donor can fund a CGA with $50,000 through the Legacy IRA, and then go another $100,000 in traditional QCDs.	Again, we may need formal guidance, but the way the statute is written, it seems clear the 50k counts toward your 100k limit that year.
Will the CGA payments have any portion in future years that would be tax-deductible? Or every year will the annuity payments be taxed 100% as ordinary income?	In the typical case, you have an ordinary income component and a recovery of investment component which may or may not include unrealized gain. The new statute specifies that with a CGA funded from a QCD, there is no investment to recover. The entire annuity payout will be taxed as ordinary income.
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Can a donor use the legacy IRA to set up a CRUT, and each year thereafter, give their $50K gift to the remainder trust once per year to build the trust?	Unfortunately, as the statute is now written, the QCD to a life income vehicle is "one and done." You cannot make a similar transfer in year two if you have done it in year one.
The easy entry to NGAF concerns me. One big risk to CGAs is the financial stability of the non-profit, particularly small charities. What is your thought to mitigate this?	Part of the purpose of NGAF is to aggregate risk in a very large pool. That is one of the main reasons NGAF exists. It provides small charities the opportunity to offer CGAs based on NGAF's financials, which are backed up by Dechomai Foundations unrestricted assets which now exceed $1B.
Two spouses, $50K each, create one two life CGAs totaling $100K or two life CGAs @ $50k each?	If both spouses are age 70-1/2 or older, they could each contribute up to $50k to one or more joint and survivor annuities. Either scenario you describe is possible.
Do you have a side-by-side illustration of comparison between $50K QCD directly to charity vs. $50K QCD to fund CGA.	In each case, the entire $50k is excluded from income, so the benefit would be at your marginal rate as if you had the full benefit of an itemized deduction, plus any knock-on benefits of having a lower adjusted gross. There is no further benefit from the outright QCD. The "legacy" QCD of course pays income back to the donor and/or her spouse. But the payout from the gift annuity will be entirely ordinary income, taxed at your marginal rate. The side-by-side illustration would take the $50k into income and use it to fund a gift annuity, taking a deduction for the present value of the residuum, and having a portion of the annuity payout excluded as a return of investment rather than entirely ordinary.
Great. So they simply need to run the life out on the CGA versus shutting it off early.	With respect to the gift annuity funded from a "legacy" QCD, yes, the requirement that the annuity be non-assignable would preclude "shutting it off early."

	But there is nothing in the statute that would preclude a term of years for a remainder trust, except that it could not continue beyond the lives of the IRA participant and/or her spouse.
So, for a $50K CGA from a QCD, the annuitants must be a donor and/or their spouse? It can't be the donor and his brother?	That is correct.
Using this CGA program is one of the best things you can bring to your not for profit and donors. Very easy to use and explain to your donors.	Thanks, Sue!!
Can the charity be a supporting organization?	There is an express exclusion for the direct QCD. But because the new provision is an election to treat the distribution to a life income vehicle "as if" it qualified, there is a question whether that restriction applies.
Based on the question & answer about DCGAs, a deferred CGA could be funded, but it would not be allowed to be deferred beyond the calendar year in which the CGA is established, correct?	That is correct. Which classifies it as an Immediate Annuity with an Annual Payout, not as a Deferred CGA.
What type of language should be in the gift annuity acknowledgment letter?	Whatever you are using for direct QCDs should suffice, except that you are acknowledging that you are issuing a gift annuity contract "in exchange."
What is your fee for this, and do you do all donor servicing?	NGAF charges a 2% annual internal fee for our Turnkey CGA Solution Program, which includes all servicing, tax reporting, state registration compliance, etc. The fee comes out of the assets and is not billed separately.
Is the full $50,000 (or another amount up to this) an amount in fulfillment of the donor's RMD or is just the charitable portion of that plan used to offset the RMD?	Great question. Answer is the entire amount counts toward your MRD.
Does the NGAF CGA contract allow donor to change the beneficial charity during the contract?	The answer is Yes or No, depending on what box you desire to check on the CGA application. The referring charity can make that decision with each donor according to your Gift Acceptance Policy.

Curious on custodians that have charitable checkbooks?	Should work the same as the direct QCD. Most large IRA Custodians will issue a checkbook to the IRA owner which allows them to write checks on their IRA account. I use it all the time to make QCDs to my charities from my IRA.
May a donor make a $50K QCD to a CRUT that is already in place?	No, the statute requires that the "legacy" QCD be the only source of funds.
And the donor can do a QCD to CGA to more than one charity if it is in the same year, yes? So $25k to ABC charity and $25k to XYZ charity.	Yes, all in one year, multiple "legacy" QCDs up to $50k in the aggregate.
Do you reinsure CGAs? If so, at what donation amount is it required?	NGAF does not reinsure CGAs itself unless the donation is over $500K and we can't mitigate the risk in other ways. That is a service performed by Bryan Clontz through Charitable Solutions, LLC. It would be best to contact Bryan Clontz direct for answers.
Can you speak to the 'role' of nonprofit gift officers (and legal limitations) in working with donors to develop annuities?	That would be something to discuss with your legal department.
Is there a maximum donation to a CGA?	Not legally. It is up to the charity. If the gift annuity is to be funded from a "legacy" QCD, the maximum is $50k.
And I thought the spouses had to have separate IRA accounts to combine?	Any IRA account is specific to one participant. If spouses have IRAs, they are separate accounts.
Is NGAF available in Puerto Rico? We have advisors there.	No, sorry! We are only registered to offer CGAs in the 50 states.
Do you (or would you consider) CGA investments that are fossil-fuel free? Other ESG screening? This is very important for some of our donors... could be a strong selling point.	At this time all our whole CGA Pool at NGAF is invested the same allocation for all donors using primarily Index ETFs.
Does your fee cover Annual State Filing Reports such as CA, NY, NJ, etc.?	Yes, for all 50 states including those mentioned.
I am concerned about the asset allocation. 40% equities and predominately the rest fixed income. With inflation, I tend to think the fixed income portfolios have been tremendously negatively impacted. Can you share more how does the CGA hedge the loss of principal?	We follow the ACGA's recommended Asset Allocation which is 40% Equities, 55% Fixed Income and 5% Cash, which is used by ACGA when they set the payout rates. The ACGA also assumes that the principal will be invaded to end up with 50% for charity at the donor's mortality age.

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What are the NGAF investment model allocations again?	40% Equities, 55% Fixed Income, and 5% Cash as recommended by the ACGA. To deviate from that allocation could increase the risk to NGAF as the issuing charity, which is not good business practice.
What does the income beneficiary see on the annuity check they receive? Is it from the national entity?	Yes, it must come from NGAF, but we send a notice to the donor each time indicating that this is for the benefit of XYZ charity.
Hi! The 2% fee is multiplied by what number to yield the dollar fee to the charity?	It is multiplied by the current asset value of the investment account for the CGA. So as the account value is reduced over time from making the annuity payments, the fee reduces along with it.
We reinsure all our GAs. Does this still work?	I assume you mean for LEGACY IRA CGAs. If so, yes it would work because it would not affect the amount or taxability of the annuitant's payments.
I've been asked why someone would want to consider this option if they don't get the tax deduction. What might you say are the advantages and benefits for someone doing this given that the limit is low at $50k?	The exclusion of the QCD from income is in effect an above the line deduction. And while you are taxed on the entire annuity payout at ordinary rates, those distributions are spread out over a period of years, whereas the $50k would have been taxable in the year it was withdrawn from the IRA.
Can the CGA payments to donors be received from the generating charity?	Not sure what you mean by "generating" charity. If this is the charity issuing the CGA contract, then the answer is YES. That is the ONLY charity that can issue the payments to the donor.
If the 2% annual fee is added to the ACGA suggested payout rate, does this not increase the risk of the principal being exhausted prematurely?	No. All fees are baked into the payout rate assumptions. Those fees are going to be inherent either visibly or invisibly with any CGA program if properly accounted for.
...or is the dollar fee charged to the donor/annuitant?	Neither. It comes out of the CGA investment account directly as an expense, just like a mutual fund operates.
When I first heard about this, I was excited. But since it's all taxed as ordinary income, it's really not that exciting to me. Why not just take the RMD and use it as the recipient wishes? If they want to support a charity, just do a regular QCD.	That certainly works IF the donor does not need or want life income. No problem. Even if the Legacy IRA is improved with further legislation, increasing the $50k limit and/or getting rid of the "one and done" rule, it is unlikely the payouts will ever be anything other than ordinary income.

Rollovers must be made directly to the charity. Gifts to "supporting organizations" are prohibited according to the law. Are foundations considered a "supporting organization?"	The requirement is 170(b)(1)(A) public charities. Most private foundations do not meet this criterion. But no, a private foundation is different from a supporting organization.
...and what is the cost of reinsurance? How is it determined? Age? Life expectancy?	Yes, all of that is determined by the insurance company who is offering the reinsurance.
How would you guide discernment for a client who is debating using IRA QCD asset, cash OR appreciated stock for a CGA?	You could run side by side comparisons. The "legacy" QCD is excluded from income, in effect an above the line deduction, but the annuity payout is entirely ordinary. And you have the $50k limitation. A portion of the payout from a gift annuity funded either with cash or with appreciated property will be recovery of investment. In the case of appreciated property, a portion of that will be realized gain.
Could the donor do the IRA QCD gift annuity with a Roth IRA? I realize this might not be the most taxwise approach in most cases--if tax free, the donor could just make the withdrawal. But if there is a case where the distribution would be taxable, could the donor do the QCD?	No.
I realize that wording sounds crass as we are dealing with our wonderful donor's actual lives. I did not mean it that way! I simply meant that donors are unable to decide to end the CGA early to have more funds go to charity.	Yes, that is correct. The IRS wants theirs before the charity can get theirs!
2010CM/2000CM guidance?	The longer life expectancies under the new tables assign more value to the annuity and less to the remainder/residuum. In cases where that might be advantageous you are permitted to use the new tables even before the regs are finalized.
Can you restate Johnne's CGA overall market data - # of CGAs issued, # of CGA issuers, and perhaps # of CGAs reissued?	1.5M charities. 4,000 issue CGAs.

What was the example where they talked about a $400K gift?	The earlier versions of the proposed Legacy IRA legislation would have allowed QCDs up to $400k per year, year after year. The legislation as finally enacted falls very far short of that.
Can we discuss who the ideal donor would be for a CGA funded by a QCD? For example, if someone is concerned about their children or other non-spouse family inheriting the IRA, could this be a good gift for them? What other cases might this gift make sense as opposed to appreciated stock, etc.?	Any IRA beneficiary designation controls who can be the ultimate distributees. The primary benefits of the Legacy IRA are that the $50k is excluded from income in the year in which the gift is made, and the annuity payout is instead taxed over twenty -odd years. It is not meant to benefit heirs. A non-itemizer who wants to receive income from making a QCD with their IRA is the ideal candidate for a Legacy IRA.
Comment: you mentioned cannot go to a DAF. They also can't go to a family foundation, correct?	That is correct as to direct QCDs, question whether it might be permitted for the remainderman of a CRT, need IRS guidance.
Can you do two CGAs funded with QCD in one year? So, $10,000 QCD in February, then donor decides to do another CGA for $40,000 QCD in October of the same year?	Yes
Most charities have a standard QCD acknowledgement letter they send to donors who make a conventional QCD to their org. If the donor establishes a CRT or CGA, should that information be included in the acknowledgment letter?	Yes
I do a QCD CGA in July. Do I have to take income by December of same year or July of following year?	By July at the latest.
Can spouse 1 put $50K QCD in a CRUT in year 1 and spouse 2 put $50K QCD in the same trust in year 2? CRUT to benefit spouses.	Yes, the "one and done" limitation applies only to the individual who is making the QCD. What you are describing would apply only if the second spouse were age 70-1/2 in year one.
For the NGAF, do you take a portion of the remainder? Or is it all free?	We pass 100% of the residuum at death of donor, no hold back.

So just confirming, you can only do $50K to CGA once in your lifetime.	Yes, unless this is a foot in the door for later changes by Congress.
What "type" of donor do you think is a good fit for a CGA?	A Baby Boomer in their 70's or 80's who wants a fixed income guaranteed for life to serve as a floor to undergird their other more volatile investments, and who have a heart for philanthropy.
Can spouses each use the QCD option to contribute $50K to the same CRT to get to $100k?	Yes, if each is over 70-1/2.
Describe the characteristics of a donor for whom this would be a terrific option.	See above.
Can a supporting organization receive a QCD into a CGA if the gift is being handled on behalf of a 501.c.3 that is not a supporting organization? Same question for a CRT where the supporting organization is trustee.	Again, the statutory language on its face would appear to permit this, and nonprofit sector advocates will certainly push for IRS guidance to this effect. But we do not know yet what IRS will say in proposed guidance.
On the topic of QCDs, in your opinion, do you think QCDs will be allowed to directly fund a donor advised fund in the future? Currently QCDs can be used to fund a field of interest donor advised fund, but not an endowed donor advised fund.	Possibly, but likely paired with a requirement that the DAF distribute at least x per year.
How is the National Gift Annuity Foundation able to do CGAs in HI and AL?	We have jumped through the hoops to become registered to offer CGAs in both states.
Donors aren't limited to a QCD CGA. They can set up an additional regular CGA to give more than $50K. Correct?	Yes, but the two sources of funding cannot support the same contract.
Donor is 70.5 and spouse is 65 - is the Legacy IRA Rollover still an option if a survivorship contract, or is the option removed from the table? What if it's created by the 70.5yo for the 65yo only - permissible? If the combined ages yield a payout rate below 5%, I would surmise that the issuing charity may choose to decline issuing the annuity, or bumping the payout rate to 5%. Make sense?	YES, on all counts!

Why are we talking $50K contributions? Isn't the max $100K with these new QCD to CGA rules?	The "legacy" QCD into a life income plan is limited to $50k.
1. not able to deduct gift b/c higher standard deduction and 2. avoid higher bracket as you said and 3. avoid the IRMAA aka Medicare surcharge SPEAKING OF IRRITATING Donors - keep income down and keep client out of the next Surcharge bracket.	Hey Drake! You win the prize! Johnne
What is the current distribution % for CGA?	The ACGA recommended rates are geared to the age of the annuitant. For a single life, age 61 or older, the rates are all above five pct.
Please repeat... national membership in what? Can you give a link?	NACGP is **https://charitablegiftplanners.org/** ACGA is **https://www.acga-web.org/**