



Consolidated Appropriations Act (CAA) and Your Support

The Consolidated Appropriations Act (CAA) replaces the expired CARES Act, which was created to help individuals, businesses, and nonprofits facing economic hardship during the coronavirus pandemic. While many of your giving options and opportunities have not changed, there are a few key points to note:

Tax Incentives

The CAA continues the CARES Act provision to allow full tax deductibility for all cash gifts up to \$300 regardless of whether you itemize or not, and expands it to \$600 for married couples filing jointly. For individuals who do itemize, gifts to the Lucile Packard Foundation for Children's Health (LPFCH) are now tax deductible up to 100% of your adjusted gross income (up from 60% in previous years).

Note: The CARES Act suspension of Required Minimum Distributions has not been extended into 2021 The CARES Act of 2020 waived required minimum distributions (RMD) for the 2020 tax year. *That waiver has not been extended.* Many of you have used your RMD to make a qualified charitable distribution (QCD) from your IRA directly to LPFCH, and that remains a beneficial option.

A Gift from Your IRA is a Great Opportunity

If you are 70½ or older, you can make a gift from your IRA directly to LPFCH.

- › LPFCH will benefit from your gift today; you can see your generosity in real time.
- › You pay no income taxes on the portion transferred to LPFCH for transfers up to \$100,000. The transfer generates neither taxable income nor a tax deduction.
- › Since the gift doesn't count as income, it can reduce your annual income level. This may help lower your amounts that are subject to tax such that you benefit even if you do not itemize your deductions.

The Office of Gift Planning is prepared to speak with you about these provisions and various types of gift structures that might be right for you and your circumstances. For more information, please reach out to us at (650) 724-5778 or giftplanning@lpfch.org.

We recommend you consult with your tax, legal, and financial advisors as to how the CAA may impact your specific financial situation.