**Quick-Take:** Come 2027, the world of philanthropy may be changing.

**Background:** We are currently trying to survive the final weeks of mid-term election campaigns with hyper-partisan rhetoric in all the airways. [8 unsolicited text messages to my cellphone and its only noon!] It's hard, as a result, to envision any form of bipartisan support for any legislation from the current Washington D.C. gang. That said, there is one topic that does seem to frequently attract bipartisan support of most Washington legislators-encouraging philanthropy. [That is no surprise when you consider that retirement assets held in this country now exceed $18 trillion.] For example, one topic that most legislators in Congress readily agreed upon was the $1,000 'above-the-line' cash charitable contribution deduction in the One Big Beautiful Bill Act of 2025. Perhaps being naive about the future, what might we see with a continued 'divided' Congress in 2027?

**QCDs-DAF:** Currently a qualified charitable distribution (QCD) can only be made from an IRA and only after the donor is at least age 70 1/2. In addition, a QCD cannot be made to a private foundation, a supporting organization of a publicly supported charity, or to a donor advised fund (DAF.) Pending in Congress is the IRA Charitable Rollover Facilitation and Enhancement Act [H.R. 2891 and S.3975] that would expand permissible recipients of a QCD to include DAFs. The bill would not adjust the non-deductible amount that could be transferred in a year as a QCD above the current $111,000 (adjusted annually for inflation.)

**Qualified Plans- DAF:** There is the Charity Parity Act [H.R. 8783 and S.4511] pending in Congress that would permit workplace employer-sponsored plans to mirror QCDs for IRAs, including direct contributions from a qualified plan like a 401(k) plan to a DAF. This bill, if enacted, would eliminate the step of having to flush funds from the qualified plan account to a traditional IRA and then direct distributions from the IRA to a charity. Unfortunately, this bill would not lower the age of the plan participant below age 70 1/2, who wants to make a charitable gift using his/her retirement account to charity and it would also prohibit QCDs to a private foundation, supporting organization, or a DAF (unless that, too, is changed by Congress.)

**CGAs:** There is some interest, but no bills yet, to expand the ability to use a QCD to fund a charitable gift annuity. This year a QCD could be used to fund a charitable gift annuity (CGA) up to $55,000, but only one time. The Legacy IRA Act, which struggled to find much support in Congress, had a provision that would have expanded the ability to fund a CGA (or a charitable remainder trust but that limited was financially not feasible with a CRT with no more than $55,000.) The impact of this one-time QCD to fund a CGA is currently being looked at by Treasury. If the study shows a dramatic impact in incenting charitable giving, it is possible that Congress might choose to expand this CGA provision and its dollar limitation.

**Non-Profit Tax Credit:** A Congressional committee is currently studying the possible use of a tax credit to incentivize small non-profit organizations that sponsor 403(b) plans to either start, or expand, the use of collective investment trusts, and unregistered insurance company separate accounts, to encourage retirement savings by their employees. The goal would be to align the treatment of these small non-profit entities with 401(k) plans used in the private sector and thus add the number of employees with retirement accounts who might consider a QCD.

**IRA Custodians:** Finally, the Government Accountability Office was made aware of the many 'issues' that many charities have complained of, when an IRA owner dies who leaves some, or all, of his/her traditional IRA to a charity. Each IRA custodian has its own rules on how the IRA assets are formally claimed, which according to the charities, often unreasonably delay the final distribution from the IRA to the charity. This study could lead to a national approach to rules that custodians follow to process claims to retirement account assets.

**Conclusion:** It is hard to imagine those in Congress agreeing on anything these days. Perhaps laws that encourage philanthropy might be the one exception. Certainly, in a time of diminishing government revenues and cut-back in critical social welfare programs, it is understandable that Congress would take a long urning look at the $18 trillion held in retirement accounts and try to find a way to release some of them to solve current challenges. Only time will tell.