

# THE CARES ACT AND IDEAS FOR GIVING IN 2020

Congress recently passed the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) that includes several charitable tax provisions to encourage giving. Below is a summary of these new tax law changes and some ideas to consider with your tax and philanthropic planning in 2020.



Powell Library and Royce Hall bathed in blue light as part of #LightItBlue, a campaign to honor those protecting our communities and keeping them going during the COVID-19 pandemic.

## 1. CARES ACT

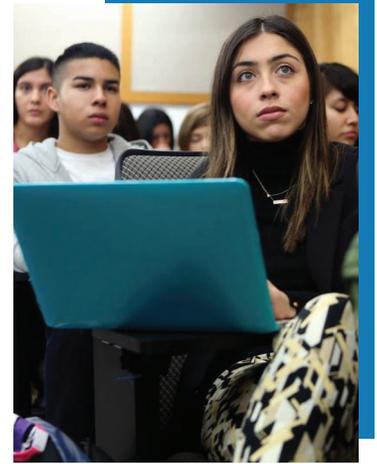
- A new deduction is available for donors who do not itemize when filing their tax returns. If you do not itemize but make a gift to charity, you will be allowed to take a special tax deduction, up to \$300, to reduce your tax liability.
- In 2020 only, donors who do itemize when filing their tax returns can benefit from an increase in the deduction limit up to 100% of a donor's adjusted gross income (AGI) for cash gifts (previously the deduction was capped at 60% of AGI). Therefore if you make a gift, you will be able to deduct more this year.

## 2. DONOR ADVISED FUNDS

If you have a Donor Advised Fund (DAF) and wish to support UCLA this year, you can make a gift from your DAF without impacting your personal financial security.

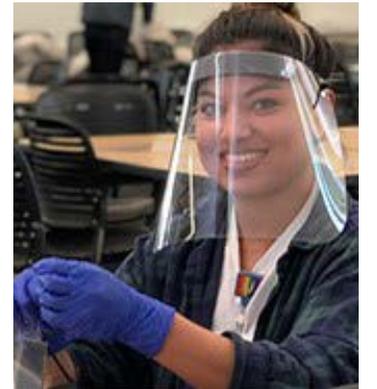
### 3. CHARITABLE GIFT ANNUITY

If you are concerned about your financial security given the ups and downs of the stock market, you may want to consider making a gift to fund a charitable gift annuity. You can exchange your low-performing stock, CDs or cash for guaranteed, fixed, lifetime payments. If you make a gift of an appreciated asset, you will reduce capital gains tax. You may also benefit from a tax deduction this year, and a portion of your payments could be tax-free.



### 4. IRA GIFTS

The CARES Act waives the required minimum distribution (RMD) in 2020 for qualified retirement accounts. However, an ongoing option for philanthropic giving exists for donors age 70 1/2 and older to make a qualified charitable distribution (QCD) from their IRA.



**If you are interested in learning more about any of these opportunities, please contact the Office of Gift Planning at [giftplanning@support.ucla.edu](mailto:giftplanning@support.ucla.edu) or 800-737-8252. Please also let us know how we can help you during this time.**

**Top:** An innovative program called the Bruin Tech Award showcases the strength of the UCLA community. The program offers support to students who may not have the technology at home needed to access online classes.

**Bottom:** UCLA bioengineers and scientists have developed a reusable face shield. The prototype was reviewed and approved by UCLA Health, and the design has been shared on the National Institutes of Health's 3D Print Exchange.

UCLA's gift planning professionals are happy to provide you and your legal and financial advisors with personalized illustrations of the benefits of some of these gift options. Any information in this publication is not intended as legal, accounting, or financial advice. Please consult with your tax, legal, and financial advisors to ascertain whether this or other gift plans are in keeping with your own tax and financial needs. Conversations with the university's gift planning team are always confidential and never imply obligation.

**UCLA Office of Gift Planning**

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