

## RMD Changes

In recent years, there has been a noticeable increase in the age requirement for taking required minimum distributions (RMDs) from retirement accounts. This change has important implications for [individuals who own vehicles and are considering giving them as donations](#). Previously, individuals were required to start taking RMDs from their retirement accounts at age 70½. However, in 2019, the [Setting Every Community Up for Retirement Enhancement \(SECURE\) Act was passed](#), raising the age for starting RMDs to 72 for individuals who turn 70½ after December 31, 2019. This change allows individuals to keep their retirement funds invested for a longer period. This could potentially result in greater savings for their future.

## The Affect on Vehicles

When it comes to giving vehicles, this increase in the RMD age requirement may present certain advantages and considerations. Firstly, individuals who plan to donate their vehicles to qualified charitable organizations can now delay taking RMDs until the age of 72. This means they have more time to plan their charitable contributions and assess the financial impact of their donations. Moreover, delaying RMDs could potentially allow individuals to maximize the tax benefits associated with donating vehicles. By waiting until they reach the age of 72, donors may be able to take advantage of higher itemized deductions. They may also be able to utilize strategies like qualified charitable distributions (QCDs) to minimize their taxable income.



## Making Informed Decisions

On the other hand, it's important to note that the RMD changes for the age requirement does not necessarily exempt individuals from eventually taking distributions from their retirement accounts. Once individuals reach the age of 72, they will still be obligated to start taking RMDs. This occurs even if they choose to give their vehicles away as gifts or donations. Therefore, it is crucial for vehicle donors to carefully consider their financial plans. We also encourage consulting with a financial advisor or tax professional to ensure they are making informed decisions.

In conclusion, the recent increase in the age for RMDs has significant implications for individuals considering giving vehicles as gifts or donations. While it provides an opportunity to delay RMDs and potentially maximize tax benefits, it is essential for donors to understand the specific requirements and implications of the new age limit. By staying informed and seeking professional guidance, individuals can make well-informed decisions about their retirement accounts and charitable contributions.



Mrs. Stephanie Johnson (she/her) is a member of All Saints Episcopal Church in Warner Robins. Having been an active member since 1995, she has served in a variety of committee and leadership roles.

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