

## **Three Exciting Developments for Charitable Gift Annuities in 2026**

Several U.S. legislative and regulatory changes have created new opportunities for donors who wish to support charitable organizations through CGAs in 2026. The most significant positive developments include expanded tax benefits for charitable giving, increased IRA-funding flexibility under SECURE 2.0, and consistently higher annuity payout rates.

### **1. Broader Access to Tax Benefits for Charitable Giving**

Beginning in 2026, federal tax law introduces a permanent above-the-line charitable deduction for taxpayers who claim the standard deduction. Individuals may deduct up to \$1,000 in cash gifts (or \$2,000 for married couples filing jointly) even without itemizing deductions.

This change significantly expands the pool of taxpayers who can receive a direct tax benefit from charitable contributions, encouraging new donors to consider planned-giving options such as CGAs. At the same time, Congress permanently preserves the ability of itemizers to deduct cash gifts up to 60% of adjusted gross income (AGI) when donating to qualified public charities.

Although other 2026 rules tighten certain deduction limits, these provisions collectively reinforce the federal government's continued support for charitable giving, creating a favorable environment for donors considering CGAs.

### **2. Higher Inflation-Adjusted Limits for IRA-Funded CGAs**

Another major positive development stems from the ongoing implementation of SECURE Act 2.0, which allows older donors to fund CGAs directly from Individual Retirement Accounts through Qualified Charitable Distributions (QCDs).

In 2026, the annual QCD limit has increased to approximately \$111,000, while the one-time election to fund a CGA or charitable remainder trust rises to \$55,000 due to inflation adjustments. These transfers remain available to donors aged 70½ or older, may fund annuities for the donor and/or spouse, and must meet specific requirements such as a minimum 5% payout rate and prohibition on deferred annuities.

For eligible retirees, IRA-funded CGAs are especially attractive because QCDs can satisfy required minimum distributions while excluding the transferred amount from taxable income, thereby delivering both philanthropic and tax-efficient retirement-planning benefits. This combination continues to position CGAs as one of the most powerful charitable planning tools available in 2026.

### **3. Sustained Higher CGA Payout Rates Increase Donor Appeal**

A third encouraging trend for donors is the persistence of elevated CGA payout rates, which were updated beginning in 2024 and remain in effect through 2026. Suggested maximum rates from the American Council on Gift Annuities are based on stronger actuarial assumptions, including a 5.75% expected investment return and life expectancy updated data.

These revised assumptions have translated into notably higher lifetime income percentages for donors. For example, recent rate schedules show single-life payouts of roughly 5.7% at age 65, rising to over 10% by age 90, with comparable increases for two-life annuities.

Higher payout rates enhance the financial attractiveness of CGAs relative to other fixed-income options while still preserving a meaningful charitable remainder, strengthening the overall value for strategic philanthropic donors.

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## **Conclusion**

In 2026, Charitable Gift Annuities benefit from a convergence of supportive tax policy, expanded retirement-account giving opportunities, and stronger income payouts. The introduction of a universal charitable deduction broadens participation in philanthropy, SECURE 2.0's inflation-adjusted IRA funding rules enhance tax efficiency for retirees, and elevated payout rates improve lifetime income for donors. Together, these developments reinforce CGAs as a highly effective and appealing strategy for individuals seeking to align charitable impact with financial security.