



# PLANNED GIVING

## Gift & Estate Planning Program (GEPP)

### Giving Guide for Donors

Not everyone has disposable assets to fund an outright gift of cash or securities to demonstrate their regard for Rotary. To expand giving opportunities, Rotary offers a variety of ways to structure a gift that can provide additional benefits to the donor while making it possible to support important Rotary activities.

In addition to giving through their estates, donors may structure a life income gift, which provides tax benefits and the potential for payments for life. Additionally, The Rotary Foundation operates a donor advised fund that allows individuals and groups to manage U.S. charitable dollars more effectively now and into the future.

### **Testamentary Gifts: Contributions That Don't Affect Today's Bottom Line**

Perhaps the easiest, and most significant, way to support Rotary is to include a commitment in your estate plan. Individuals and couples can make provisions within a will or trust, name Rotary as the beneficiary of an insurance policy or retirement plan, and transfer ownership of a bank or investment account automatically after death. Rotary recognizes such generous planning with the following:

- Benefactor** Individuals who have made Rotary's Endowment Fund a beneficiary in their estate plans or who have made an outright gift of \$1,000 or more to the Endowment Fund.
- Bequest Society** Individuals and couples who structure a legacy by committing not less than \$10,000 in an estate plan to The Rotary Foundation.
- Resources** *Your Rotary Legacy* brochure; Frequently Asked Questions Legacy Guide; [www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving).

We hope that every Rotarian establishes a personal legacy by making some type of provision for Rotary in their estate plan.

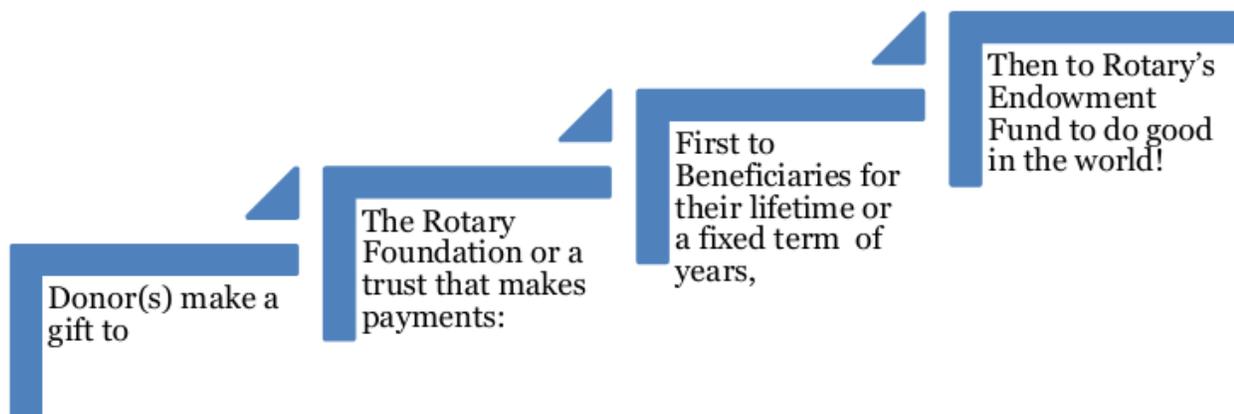
## Life Insurance: Transform Protection into Progress

Sometimes the best gift is right under your nose. Often individuals purchase life insurance and come to realize later that they no longer need the potential benefit. You can easily transform that family and personal protection into good works and community support worldwide.

- Beneficiary** Name The Rotary Foundation as the beneficiary of an existing life insurance policy, and you will receive Benefactor or Bequest Society recognition.
- Term Life** Term life insurance policies are not assignable, but you may designate The Rotary Foundation as a beneficiary. No recognition is given until payment is made under the policy.
- Transfer Ownership** Whole and universal life insurance policies may accrue cash value and are usually assignable. The donor of a whole or universal life insurance policy will receive Major Donor recognition at the time ownership is assigned to the Foundation and accepted by Rotary. Limitations apply.
- Resources** Rotary Foundation Gift Acceptance Policy;  
[www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving).

## Life Income Gift (U.S. only): Contributions That Can Increase Disposable Income

People are often surprised to learn that they can make a gift and obtain special benefits, such as a tax deduction, lifetime payments, payment rates higher than a CD or dividends, future financial security, and capital gains tax avoidance — all with one gift. Life income gifts come in several shapes and sizes to meet many donor needs, and all of them offer appropriate Major Donor and or Arch C. Klumph Society recognition.



## Charitable Gift Annuities

Simple. Comforting. Give a gift of cash or publicly traded securities and get a contract from Rotary to pay you or a loved one a fixed amount each year regardless of fluctuations in the economy. You will receive a charitable tax receipt in the year of the gift and avoid immediate capital gains tax for gifts of appreciated securities. Make your gift and know you have supplemented your financial future.

## Deferred Gift Annuity

Instead of taking your annuity payments immediately, defer the start date to allow Rotary to provide a higher payment rate. You can plan for retirement or other future life events and maximize your benefit with higher payment rates and tax benefits. Each case is unique so request a sample illustration and always speak with your financial adviser.

## Idea

Be creative; set up an annuity that starts paying your loved one a fixed amount each year in their birthday month. They will love the extra fun-money and the fact that you are supporting Rotary while celebrating their birthday.

## Pooled Income Fund

Your gift is pooled with contributions from other donors and invested. The income paid is based on the fair market value of the gift and the variable rate of return that the fund is producing. The fund's investment objective is to secure a reasonable current rate of return consistent with the preservation and long-term growth of principal. A gift to the Pooled Income Fund offers nice tax benefits and a hedge against inflation.

## Charitable Trusts

Establishing an irrevocable charitable remainder trust (CRT) has additional costs, but offers similar benefits to an annuity — flexibility and a variety of options. A CRT can be funded with cash, real estate, publicly traded stock, closely held stock, and certain other assets. Payments are not backed by Rotary but instead by the trust assets alone, and the trust has the opportunity to increase with market performance. The trust pays the income beneficiaries at a rate of not less than five percent.

If The Rotary Foundation is named as the sole, irrevocable beneficiary of the remainder interest of a trust, Rotary can split the fees and act as trustee for the following CRT options:

**A Charitable Remainder Annuity Trust**, which provides fixed payments that are a percentage of the initial trust value, which is determined when the gift is made. Additions cannot be made to an annuity trust, nor can it be funded with real estate.

**A Charitable Remainder Unitrust**, which provides variable payments that are a fixed percentage of a fluctuating amount (the fair market value of the trust determined annually).

**A Charitable Remainder Unitrust with a flip provision**, which provides initial payments of only trust income. Then, after a certain date or event, the payments flip to a straight percentage payout. This option is ideal for retirement planning and gifts of real estate.

**Limitations**

Available in the U.S. (opportunities may vary by state). All life income gifts have a minimum beneficiary age of 50 and a minimum gift value: \$100,000 for trusts, \$10,000 for annuities, and \$5,000 for the Pooled Income Fund. All remainder amounts benefit The Rotary Foundation's Endowment Fund.

**Resources**

Planned giving officer and [www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving).

**Charitable Lead Trust (U.S. only): Provide Support and Transfer to Heirs Tax Free**

**Charitable Lead Trust**

Assets are placed into a trust that annually pays Rotary from the income and if necessary from trust assets; the assets are returned to the donor or donor's designee (usually heirs) at the end of the trust term. Major Donor recognition is awarded for the amount calculated to ultimately benefit Rotary. While Rotary does not act as trustee, we are happy to discuss the options for making a gift to the Foundation via trust.

**Resources**

[www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving).

**Donor Advised Fund (U.S. only): Manage Charitable Contributions with Ease through Rotary**

**Donor Advised Fund (DAF)**

A DAF is easier than having your own foundation. Open an account with \$10,000 or more and recommend grants to your favorite U.S.-based charities at your convenience. You decide how you want account funds invested and when to make grants to IRS-approved charities. Rotary provides professional asset management and takes care of all of the administrative details.

Contributions are irrevocable and U.S. tax deductible in the year they are made, allowing you to maximize your deductions in years when it would be most beneficial. With gifts of appreciated publicly traded securities, you will have no capital gains tax liability.

Rotary offers individual and legacy accounts for Rotarians and friends of Rotary, and group accounts for clubs, districts, and Rotary-affiliated

groups. Each type makes an annual transfer to Rotary's Annual Fund. Bequest Society recognition may be awarded to donors when they establish an individual and legacy account.

**Resources**

The Rotary Foundation Donor Advised Quick Guide; and [www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving).

**IRA Charitable Rollover (U.S. only)**

**2016**

In December, 2015, the United States Congress passed a law that permanently allows individuals 70 ½ years or older to transfer funds directly from an IRA to a qualified charity without increasing federal taxable income. Consult with your adviser to see if you could benefit.

Certain individuals who might not otherwise be able to use a charitable deduction can benefit by using IRA assets. If you are interested in making a Major Gift, this could be a great opportunity to use an asset that would otherwise be taxable.

**Resources**

[www.rotary.org/plannedgiving](http://www.rotary.org/plannedgiving)

Before making any charitable gift we recommend that you consult with your personal legal, tax or financial advisor.

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