



PLANNED GIVING

Gift & Estate Planning Program (GEPP)

Giving Guide for Professional Advisors

Some individuals know that planned gifts can help them (a) plan for future financial needs, (b) use nontraditional assets, or (c) provide for the support of loved ones while also supporting Rotary programs. Others may not realize that a planned gift could actually resolve concerns over future financial uncertainties and obligations. The following list of common reasons people hesitate in making a planned gift can actually be turned into opportunities using the solutions provided in this guide:

- Planning for retirement or concern over resources in retirement
- Paying for children's college education
- Selling a business
- Tax issues (income, capital gain, gift and estate)
- Unknown future health care expenses
- Concern about care of others (spouse, parents, children)
- Concern about outliving resources
- Need to address multiple charities and limited assets
- Saddled with costs of owning underutilized real estate
- Concern about earnings available from current assets (CDs and dividends)
- Wanting to provide for their children and other heirs
- Thinking about finding an alternative to a new or existing private foundation
- Wishing to pass on charitable values to children and future generations

As a trusted adviser and friend of Rotary, you are in the unique position to translate these valid concerns into possible solutions through The Rotary Foundation's planned giving options. The following is a detailed analysis of why people might structure a gift and when they might appreciate professional advice and guidance.

DISCLAIMER: This material is prepared solely for Senior Rotary Leaders. The Rotary Foundation makes no effort to qualify the recipients of this information and expects each donor to rely on their own advisors. The Rotary Foundation does not make referrals.

Planned Giving Solutions

IRA Charitable Rollover

Who	What	When	Why
U.S. residents with IRA (Individual Retirement Accounts) assets who are 70 1/2 years or older	Transfer IRA assets directly to charity without increasing taxable federal income	This provision is permanently enacted by law. Check with your advisor to see if you can benefit!	<ul style="list-style-type: none"> • Use IRA funds without increasing taxable income • Already used full charitable deduction for the year • Want to give a gift of a lifetime • Have to take required minimum distribution anyway • Concern over alternative minimum tax • No longer itemize • Have a Paul Harris Society commitment to fulfill
Amount	Recognition	Global Issues	Other
No minimum; maximum is \$100,000 per person	Major Donor or Paul Harris Society available	U.S. only	Does not apply to 401(k), SEP (simplified employee pension), and other retirement accounts

Testamentary Giving: Plan Now to Leave a Legacy Later

Who	What	When	Why
Everyone	Will, trust, retirement plan, bank, or brokerage account pay on death order, other property with title, insurance beneficiary designation	At any stage in life, over 70 is most common but many people are planning even earlier	<ul style="list-style-type: none"> • Value Rotary and Foundation programs and want to support the Foundation's mission • Want to reduce estate taxes • Want to leave a personal legacy • Do not have heirs that need the resources • Want to perpetuate Paul Harris Society level giving • Concerned about outliving resources but want to support Rotary programs • Benefitted as an alumni of Foundation programs
Amount	Recognition	Global Issues	Other
No restriction; \$25,000 to the Endowment Fund qualifies for a named fund	Bequest Society \$10,000; Benefactor is any amount to the Endowment Fund	Local law and customs affect the process and publicity for bequests	Idea. Help us identify and recognize individuals who have already included Rotary in their plans but never told the Foundation. Consider inviting Rotarians you know to make an estate gift.

Life Income Gifts with Rotary: Give Now and Maximize Benefits

Who	What	When	Why
Individuals and couples who are older than 50 and appreciate the security of potential lifetime payments	Charitable Remainder Trust (CRT); Charitable Gift Annuity (CGA); Pooled Income Fund (PIF); and other options in which Rotary contracts to make payments or acts as trustee	Minimum age is 50, common prior to retirement; annuities most beneficial after age 70	<ul style="list-style-type: none"> • Support the Foundation’s programs • Obtain U.S. tax benefits in the year of the gift • Provide lifetime payments for self or loved one • Avoid capital gains on the transfer of appreciated assets • Increase annual income • Possibly reduce estate taxes • Provide financial security in retirement years • Address concerns about outliving resources • Use to make payments to elderly parent or college-age student for limited period of time • Obtain benefit from appreciated or underutilized assets
Amount	Recognition	Global Issues	Other
Minimums: \$5,000 for PIF; \$10,000 for CGA; and \$100,000 for CRT	Major Donor or Arch C. Klumph Society	The Foundation has CGA contracts with Rotarians in Japan	All can be funded by cash, credit card, or stock transfer; real estate can be used for certain trusts only; annuities are backed by the Foundation’s assets; the PIF and trusts are backed only by the assets of the trust; Life Income Agreements benefit the Endowment Fund

The Rotary Foundation Donor Advised Fund (DAF) – Group, Individual, and Legacy Accounts

Who	What	When	Why
Any Rotarian, spouse, group of Rotarians, or interested individual in the U.S.	“Charitable checking account” – contributions are irrevocable gifts to the Foundation, but the donor may recommend grants to U.S.-based charitable organizations in good standing	Anytime, but often funded at year end when U.S. tax liabilities are estimated	<ul style="list-style-type: none"> • Desire to manage charitable dollars and support the Foundation • Enjoy connection with the Foundation • Need to improve local club or district management of charitable dollars • Want to donate money rather than pay taxes • Desire to transfer charitable giving tradition to heirs • Want to leave a legacy to the Foundation without changing will • Want to make recommendations in investments to potentially grow charitable dollars tax free
Amount	Recognition	Global Issues	Other
\$10,000 to open; no minimum balance required	None for opening the DAF; Major Donor, Paul Harris Society, and Arch C. Klumph Society available when transfers are made to Foundation programs	Certain Rotarian nonresidents may fund an account if they need a U.S. tax receipt or are not concerned about tax benefits	No Paul Harris or Major Donor recognition when donating to a DAF; consult the senior planned giving specialist to learn about other recognition. At death, a minimum of 50 percent of DAF is transferred to the Endowment Fund. Annually one percent of group accounts and \$250 from individual accounts is transferred to the Annual Fund, for which the account earns Paul Harris recognition points.

The number of reasons for structuring a planned gift is exceeded only by the multitude of benefits provided around the world through Rotary programs. By understanding what Rotary offers to help structure your gift, you will be in the position to help change the world. Thank you for reviewing this material and for reaching out to your partners in this effort: The Rotary Foundation planned giving staff. We are here to help.