

WOMEN
• FOR THE •
WORLD

VOLUNTEER LEADERSHIP CONFERENCE

TOGETHER for SMITH

Planned Gifts That Count:
For Campaign and Reunion
Smith College
November 6, 2015

Planned Giving and Reunion

- Grécourt Society membership
- Planned Gifts that Count for Reunion
 - Charitable Gift Annuities
 - Charitable Remainder Trusts
 - Reunion Bequest Intentions (50th reunion and after)

The Grécourt Society

- Smith's honorary society for those who have made planned gifts to the college
- As of today, 2,133 living members
- Grécourt award goes to class with highest number of new members since last reunion
- ALL planned gifts qualify donor for Grécourt membership
- SOME planned gifts count for reunion & campaign



Gifts that count toward reunion totals

- Charitable Gift Annuities
- Bequest Intentions (50th Reunion & Later)
- Charitable Remainder Trusts
- Charitable Lead Trusts
- Life Insurance
- Gifts of Real Estate
- Retained Life Estate
- IRA rollover gifts*
- Realized Bequests

*Now permanent!

Simplest and most common of these: Annuities & Bequest Intentions

A few key takeaways:

- Charitable Gift Annuities
- If you're in your 50th reunion cycle or older: reunion bequest intentions
- IRA charitable rollover now permanent
- Now available: Charitable Remainder Trusts invested in the Smith College endowment
- Planned gifts should be made IN ADDITION to a Smith Fund gift, not in lieu of one!

What is a Charitable Gift Annuity (“CGA”)?

- Smith’s most popular form of planned gift
- A great way to increase your class’s reunion gift NOW
- A CGA is a contract between a donor and a charity
- Donor donates cash or stock (and in rare cases, real estate) irrevocably to Smith
- Donor receives a current tax deduction
- Smith pays donor regular fixed income for life
- Upon termination, principal becomes available to Smith for use as designated by donor

Three Flavors of Charitable Gift Annuity

- Immediate Gift Annuity (standard)
- Deferred Payment Gift Annuities
- Flexible Deferred Payment Gift Annuity

Immediate Gift Annuities: Nan Borton '62

- Served in the first cohort of the Peace Corps
- Spent a career in international service, culminating as head of international disaster relief for US government
- Wanted to make the biggest 50th reunion gift she could give, but needed to continue to get income from her assets



Nan establishes a Charitable Gift Annuity

- Gives at least \$10,000 in cash or stock to Smith
- Receives a reliable fixed income for life
- Receives a substantial tax deduction at time of gift
- Annuity income is partially tax-free
- Principal will go toward scholarships for international students

Note: Two years later, Nan funded an additional annuity, still in time for her 50th.

Sample Charitable Gift Annuity rates (as of 10/22/15)

Age	Rate of Income
60	4.4%
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%

Deferred Payment Gift Annuities:

Laura Brounstein '84

- Laura was in her 25th reunion year
- Entrepreneur – loves the idea of a gift that also earns her income
- Laura is many years from retirement – doesn't need the income now, but would like to maximize it later



Laura establishes a Deferred Payment Gift Annuity

- Makes a cash gift of at least \$10,000 now
- Gets a substantial tax deduction now
- Will begin getting income at age 65 – income continues for life
- By virtue of waiting so long, her rate of income is greatly increased
- Principal designated to Smith for Museum and Athletics
- Income will be partially tax free
- The entire amount counts for 25th reunion

Since then, Laura has funded FOUR more deferred payment gift annuities – all of which counted toward her 30th reunion!

Sample Deferred
Payment Gift Annuity
rates (as of 10/22/15)

Current Age	Income Deferred to Age	Rate of Income*
50	60	6.0%
50	65	7.5%
60	65	5.5%
60	70	7.0%
65	70	5.9%
65	75	7.9%

* Income varies with exact date of birth and timing of gift

Flexible Gift Annuity: Karen Bopp '68

- President of her class
- Karen isn't sure when she will begin to need retirement income
- Karen wants to make the largest impact possible for future scholarship awardees – and the largest reunion gift possible



Karen Establishes Flexible Gift Annuity

- Made gift of at least \$10,000
- Received immediate tax deduction
- Can start receiving income any time between ages 70 and 75
- The longer she waits, the higher her rate
- Income will be partially tax-free
- Principal will go to family fund for Ada Comstock Scholars
- Entire amount was credited to 45th reunion gift

50th Reunion (and later) Bequest Intention

- New Policy for Smith
- Started with Class of '65
- Only applies to classes in their 50th reunion cycle or older
- Allows living donors to get reunion credit for charitable bequests in their will, trust, or retirement account

Reunion Bequest Intentions

Must be in 50th reunion cycle or older

Bequest must be \$10,000 or more

Smith Fund gift of \$500 during reunion year

Must document with signed statement & copy of will (or other document)

Discounted credit for amount of bequest

50th Reunion (and later) Bequest Intention: How to get credit?

- Document the bequest intention
 - Sign a Reunion Bequest Credit Sheet
 - Provide one additional form of documentation (photocopy of relevant section of will, etc.)

- Make a \$500 Smith Fund gift during the reunion year

50th Reunion (and later) Bequest Intention: How much credit?

- How much to document?
 - Future plans are uncertain: so donor can claim as much as she is comfortable with
 - E.g.: Asset today is \$500K, but donor may need some for future needs. May choose to seek credit for half.

- Credit is discounted based on age
 - Gift is far in future, reduced purchasing power
 - Uncertainty of “revocable” gifts
 - 50th reunion gets 50% credit
 - 55th reunion gets 55% credit
 - 60th reunion gets 60% credit
 - Etc.

**Great news:
The IRA Charitable Rollover is now permanent**

- Donor must be age 70-1/2 to qualify
- Donor may make a direct transfer from an IRA to Smith
- This transfer does count toward the donor's required minimum distribution
- Donor does not get a tax deduction, but also does not have to declare the distribution as income
- Can be done for a maximum of \$100,000 per person per year

Charitable Remainder Trusts

- Like an Annuity, but different
 - \$100,000 minimum
 - Rate not based on age – typically 5% of principal, valued annually
 - So income is variable, not fixed
 - Requires legal document

Charitable Remainder Trusts – the big news

- Smith CRTs trustee & managed by BNY Mellon
- College has received IRS for Private Letter Ruling (PLR)
- Under PLR, trusts would be invested alongside Smith College Endowment
- Trust donors would share in growth of the Smith endowment
- Past results are no guarantee of future returns
- College Investment Committee has reduced expectations for future endowment performance

	Period ending 12/31/2015 (% Net of Fees)			
	1 Year	3 Years	5 Years	10 Years
Smith Endowment	1.9%	8.8%	8.2%	8.1%
BNY Mellon Growth Portfolio	-1.5%	6.3%	5.6%	4.6%
BNY Mellon Moderate Growth Portfolio	-1.5%	7.1%	6.0%	4.6%

For More Information

Visit Smith's Gift Planning Website:

smith.plannedgiving.org

Contact our office:

413-585-2051

gift_planning@smith.edu

Arrange a conference call with a gift planning staffer and your class's fund team!

QUESTIONS???