



# Leave a Legacy for Smith – Which Counts for Reunion!

*A Webinar for 50<sup>th</sup> Reunion Classes*

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# What do we mean by “bequest intention?”

## Legacy giving to Smith College.

- Gifts that can be made now, but come to the college later.
- Often the largest philanthropic gift of a lifetime.
- Some can be counted for Reunion.
- Recognition through The Grécourt Society.



# Kinds of Bequest Intentions

- Bequest in a will or trust
- Naming Smith as beneficiary of:
  - Retirement account such as an IRA, 401(k), or 403(b)
  - “Payable on Death” or “Transfer on Death” account
  - Life insurance policy
  - DAF

Note: These “POD” and “TOD” designations are a growing form of estate planning, and take priority over a will!

# Flexible option – Fits Smith, Family and Other Charities

- Can be for a specific dollar amount or a percentage of estate
- Can be “up front” or after other beneficiaries (residuum)
- Smith has sample language on request or on our website at [smith.plannedgiving.org](http://smith.plannedgiving.org)
- Designation:
  - Can be undesignated
  - For a specific purpose (financial aid, academic program, etc.)
  - If large enough, can be used to create named endowed scholarship
  - If you designate: Please talk to Smith first!

# Bequest Through a Will

## Betsy Hitchcock '77

- Graphic designer – designed packaging for familiar natural food products: Horizon Organic Milk, Earth's Best Baby Food, Celestial Seasonings Tea
- Contacted Smith in fall of 2018 while terminally ill
- Immediately donated required minimum to establish endowed scholarship fund
- Revised will so the bulk of her estate would also go to the scholarship
- Lived one more year – just long enough to see first student receive her scholarship



# Bequest Intentions and Reunion Credit

- Bequest intention must be for \$10,000 or more.
- Donor must complete a non-binding Statement of Intent.
- Donor must provide a photocopy of the page(s) of will, trust, or other document showing Smith as beneficiary.
- Credit is not 100% (as these gifts are technically “revocable,” and ... life happens).
- Credit is discounted by age.
  - For 50<sup>th</sup> Reunion, class receives credit for 50%.
  - For 55<sup>th</sup> Reunion, 55% credit.
  - Etc.

# Estimating the Value when Uncertain

- Often amount is uncertain
- Could be a % of estate, or % of the “residuum”
- Use best estimate of current valuation
- This is why Smith discounts the Reunion credit – to compensate for uncertainty and for the current value of future \$

# Impact for other Classes' 50<sup>th</sup> Reunions

- 1965 - \$1.5 million
- 1966 - \$.9 million
- 1967 - \$8.2 million
- 1968 - \$8.3 million
- 1969 - \$4.4 million
- 1970 - \$3.3 million
- 1971 - \$4.1 million
- 1972 - \$5 million
- 1973 - \$5.8 million



# Retirement Assets – A Tax-Savvy Bequest

- Your IRA, 401k, 403b, or other qualified retirement account must have a beneficiary
- Most people name family members
- Can name charities
  - For the entire account
  - For a percentage
  - As a contingent beneficiary

# Leaving an IRA to Smith

## Sylvia Smith Lewis '74

- Storyteller, activist, arts founder
- As a student, helped found Africana Studies, Black Student Alliance, Emergency Fund for Students of Color
- Appreciates the progress Smith is making since her time as a student in addressing issues of race and diversity
- Has named Smith as a beneficiary of her IRA
- Also has donated a collection of art by African American artists, some currently and some by bequest
- “Smith College can be a beacon to the world.”



# Why a Retirement Account?

## Tax Efficient

- Left to individuals, it can be subject to two taxes
  - Estate Tax (federal and state)
  - Income Tax
- Left to Smith, no taxation
- Worst-case scenario: Heirs only receive 38 cents on the dollar

## Simple

- Doesn't require a lawyer
- Don't need a will
- Often can be done on-line

### ONE SIMPLE WAY TO JOIN GRÉCOURT

Many Grécourt Society members have named Smith as a beneficiary of an IRA or other retirement plan. This requires no lawyers and can save significant taxes. For example:



a. 40.0% Estate Tax  
b. 22.2% Income Tax  
c. 37.8% To Children

Janet leaves her \$100,000 IRA to her children. After estate and income taxes they may receive as little as \$37,800.



a. 100 % Smith College

Janet instead leaves the IRA to Smith. The college is tax-exempt and receives the entire \$100,000.

# New Opportunity: Annuity funded by IRA

- New legislation from December 2022
- Donors age 70-1/2 or older can transfer up to \$53,000 in one year only to charity to fund a charitable gift annuity
- Current rate of income for a 72-year-old is 6.6%
- (Rates went up January 1!)
- Transfer DOES count toward the donor's RMD if they have one
- Transfer does NOT get counted as income to the donor

# The Grécourt Match

- Right now, matching funds available for planned gifts
- Member of the Class of '82 has committed \$1 million in financial aid NOW
- Her gift will be used to match planned gifts
- Every \$100 in planned gift will be matched by \$10 in immediate gift (up to limit of \$10K per match)
- Your planned gift can have an immediate impact
- As of 1/1/24, \$708K has been matched

# Why We Do This!

## Abagael Shrader '13

- Anthropology major
- Received the Nancy Kruidenier Shepard '41 Scholarship
- Nancy made a gift during her lifetime to establish this scholarship
- Nancy also did a substantial planned gift, which greatly increased the scholarship fund
- Scholarship is restricted to a student from Iowa
- Abagael served as a public school teacher and now is a content operations coordinator with Apple in Iowa City, Iowa





**Now is the Time for Your Questions.**

# Questions?

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