Leave a Legacy for Smith – Which Counts for Reunion!

A Webinar for 50th 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
• 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 50th Reunion, class receives credit for 50%.
  - For 55th 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’ 50th 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
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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