



The Rotary Foundation
of Rotary International

www.rotary.org

VISIONS

CHARITABLE ESTATE & FINANCIAL PLANNING IDEAS FROM THE ROTARY FOUNDATION

Dear Rotarians and Friends,

The family of Rotary recently celebrated 100 years of *Service Above Self* and many significant accomplishments. Polio eradication has progressed steadily toward the promise of a world free of the disease; a scholarship program has been built to promote the study and practice of global peace; and the support needed for health, hunger prevention, and economic growth continues to be provided worldwide.



As Rotary embarks on our next century, it is a perfect time to envision what your commitment can do for the future ... and to consider whether you have made appropriate plans to ensure that your personal vision is met. By including The Rotary Foundation in your will or other long-range plans, you can help *Lead the Way* to:

- A world where peace flourishes
- A world where disease is defeated
- A world without homelessness
- A world without illiteracy

Due to the love of Rotary I share with my family, it warms my heart to tell you that my wife Lorna and I have included The Rotary Foundation in our estate plan. Our children and grandchildren are precious to Lorna and me, and they know how important Rotary is to us. Our family is proud that we have made this commitment to the future of Rotary.

You, too, can provide for culturally and educationally significant programs such as Ambassadorial Scholars, Rotary World Peace Fellowships, and Group Study Exchanges. Thus far, Rotary scholarships have helped more than 30,000 people from 110 countries study abroad, building goodwill and better friendships. All Matching Grants, which meet vital community needs and improve the lives of Rotarians and non-Rotarians alike, are matched with Foundation assets. The Foundation's Health, Hunger, and Humanity grants impact and help improve many of the neediest communities in the world.

I urge you to read more about how you, too, can leave a legacy that reflects your personal and philanthropic goals. Thank you for your consideration.

Sincerely,

President William "Bill" Boyd
Rotary International



INSIDE:

- *Make and review your plans*
- *Other plans that work with a will*
- *New tax-free gift options from IRAs*

IT PAYS TO LOOK AHEAD

It can be challenging to make plans involving one's mortality. Some find it so unappealing they make an unconscious decision *not* to make plans. However, once the task is complete, having a proper will and other estate plans prepared can be one of the most satisfying moments in a person's life. By taking this important step, you can provide for the future financial security of your loved ones; arrange for the eventual management and distribution of your property; and continue your legacy of support for The Rotary Foundation and other charitable organizations that share your values.

TAKING CONTROL

Studies show that as many as 50% of Americans fail to take even the most basic steps to provide for the future management and distribution of their property. Most people do not realize that in the absence of a valid will or other legal arrangement, state law steps in to distribute one's property in specified portions among relatives, regardless of what their wishes may have been. As such, nearly half of the estates handled in the U.S. have no provisions for friends or charities.

Most Rotarians, whether of wealthy or modest means, would agree it is important to exercise one's right and responsibility to control the distribution of property they have worked a lifetime to accumulate. Remember, you are the only one who can take action to direct how you would like your property to ultimately be distributed. Continue reading for information that may be helpful to you as you consider your plans.



REASONS TO REVIEW YOUR ESTATE PLANS

Keeping your will or other estate plans up to date can be just as important as their original preparation. Some common reasons to update your plans include:

- A move to another state.
- The person you selected to settle the estate can no longer serve.
- A change in financial circumstances, such as acquiring new assets.
- Births, deaths, or a change in marital status.
- The needs of heirs change.
- Acquisition of real estate in another state.
- You have given property away.
- Changes in tax law.
- Charitable wishes change.

EASY ASSETS TO CONSIDER FOR A GIFT

Many are surprised to learn that there are other methods for easily distributing property outside of a will. Consider the following:

NEW OPPORTUNITIES FOR TAX-FREE IRA GIFTS

If you are like many, a portion of your total assets may be held in the form of tax-favored retirement plans. Did you know that these funds may actually represent a significant source from which to make a tax-free gift now and in the future?

Individuals over 70½ who are required to take unneeded taxable distributions from a traditional or Roth IRA may be pleased to learn of a special new provision in the law. This year and next, you are allowed to direct that your mandatory withdrawal amount (or other amount up to \$100,000 per year) be used to make a charitable gift on a totally tax-free basis. Check with us or your plan administrator for more information on how to make tax-favored gifts in this way.

Remember also that amounts remaining in retirement accounts left to loved ones may be subject to both estate and income taxes. To prevent this, you may want to leave other assets to loved ones and name The Rotary Foundation as the beneficiary of remaining retirement account funds.

Beneficiary designations completed years ago may determine who receives these funds. Check with your plan manager to make sure your current wishes are reflected.

LIFE INSURANCE

As with retirement accounts, life insurance proceeds are distributed in accordance with the terms of beneficiary designation and will generally not be distributed by the terms of your will. Check with your life insurance professional to review and update such forms if necessary.

BANK AND BROKERAGE ACCOUNTS

Bank accounts or certificates of deposit may provide for loved ones or charitable interests through Pay on Death (P.O.D.) instructions. In most states, brokerage accounts may also be left to heirs or charities through Transfer on Death (T.O.D.) provisions.*

** At this time, only Louisiana does not have Transfer on Death provisions for brokerage accounts.*

“For more than 40 years, Jean and I have supported The Rotary Foundation’s Annual Programs Fund, and we also provided \$100,000 in our will for the Permanent Fund. A new law makes it possible to fund an additional gift of \$100,000 now. We are able to support the Foundation this year by making a contribution from my IRA, with no tax or penalty, which is an opportunity to make our donation go farther. Hopefully, other Rotarians will learn of this advantage and do the same.”

PDG Chuck and Jean Ylonen
Rotary Club of Middlesex County
(Urbanna), VA

“Prior to his death, Bob had named me the beneficiary of his IRA and The Rotary Foundation to receive the funds in case I did not survive him. After thinking about it and talking to my tax advisor, I decided to have the funds go to the Foundation now. I know Bob would have been pleased with my decision.”



PDG Gloria M. Clinton
Rotary Club of Salinas, CA
Major Gifts Advisor

THE ROTARY FOUNDATION WANTS TO RECOGNIZE YOU

You can *Lead the Way* and inspire others by sharing that you have made a gift to the Foundation.

BENEFACTORS

You may become a Benefactor by making the Foundation's Permanent Fund a beneficiary in your estate plan. Simply notify us that you have included the Foundation in your will, and we will thank you with a certificate and insignia for your Rotary pin.

THE ROTARY FOUNDATION BEQUEST SOCIETY

You may become a member of the Bequest Society by making a commitment of \$10,000 or more to the Foundation in your estate plan or by one of the means discussed in this newsletter. Bequest Society members receive a Bequest Society crystal and pins and invitations to special events.

"I am proud to continue the Alexander legacy of supporting the programs of The Rotary Foundation by including the Foundation in my estate plan."



Chris Alexander
Rotary Club of East Sacramento, CA
Bequest Society member

FOR MORE INFORMATION

This special edition of *Visions* provides useful information about how you can join RI President Bill Boyd and other Rotarians who have committed to securing the future of The Rotary Foundation. You have made Rotary a significant part of your family; that significance can be incorporated into your ultimate legacy as well.

Please return the enclosed card to share with us your interest in including the Foundation in your estate plan; notify us if you have already done so; request a free booklet about ways you can include the Foundation in your estate plans; or receive future issues of *Visions*. Thank you.

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This newsletter can be downloaded at www.rotary.org.