

# Leaving Your Legacy in Philanthropy

Planned giving allows you to manage your estate more efficiently while offering you the opportunity to provide for a beneficiary and give to a charitable cause. Planned gifts, also known as legacy gifts, are the result of financial planning often involving a future estate. These legacy gifts include bequests in wills, trusts, life insurance, personal property, and annuities.

A planned gift can benefit both you and the Scottish Rite charities. Our philanthropic endeavors include the RiteCare® Childhood Language Program, disaster relief, scholarship programs, and the historic preservation and enhancement of the House of the Temple along with its museums and libraries.

By making a planned gift to the Scottish Rite Foundation, Inc., the House of the Temple Historic Preservation Foundation, Inc., or your local Scottish Rite Foundation we will honor you as a member of the Scottish Rite's Intendant of the Building Society. As a member you will receive a certificate, a lapel pin, a necktie or scarf, and all special privileges provided to Society members.

*Here are a few ways you can leave your legacy in philanthropy:*

## **Leave a Bequest in Your Will**

The simplest and most common form of planned giving is a bequest or gift made through a donor's Will. This way of giving is popular because you do not have to part with funds or assets while you are living. It is also a great way to plan your estate because you will not owe any estate tax on the amount of the bequest.

By giving through a Will you may be able to make a more significant donation than you would during your lifetime. A bequest to our Scottish Rite charities will help the Supreme Council continue the important programs supported through the Scottish Rite Foundation or help us maintain the magnificent House of the Temple building, library and museums.

## **Charitable Gift Annuity**

A charitable gift annuity (CGA) is a donation that actually gives back income to the donor. The appeal of a gift annuity is that it provides regular income to you and offers a means in which to avoid capital gains taxes. In return for a gift made through a gift annuity, you will receive lifetime income monthly, quarterly or bi-annually. Depending on your age, you may also receive a tax break on a portion of the earnings.

A gift annuity provides you with a charitable tax deduction and a guaranteed specific income payment for life. Income rates are based on the donor's age and when the contract was made. The annuity is created with a one-time donation of cash, stock, or real estate. Once this donation is made no more funds or assets may be added to the annuity, to give more you would simply make another gift annuity agreement. You may make as many charitable gift annuity agreements as you wish.

### ***Benefits of donating through a Charitable Gift Annuity:***

- ◆ Initial tax deduction on gift portion
- ◆ Substantial tax exemption on income payments
- ◆ Reduced capital gains tax
- ◆ Guaranteed retirement income

A charitable gift annuity may be made for yourself or for both you and one beneficiary. A single-life annuity provides for only one income beneficiary, with the rate based on the beneficiary's age at the time of the agreement. A two-life annuity provides for two income beneficiaries and the rates are based on the ages of both beneficiaries.

### ***Rate Change on Gift Annuities***

**The Board of Directors of the American Council on Gift Annuities (ACGA), at an emergency meeting on December 29, 2008, decided to decrease gift annuity rates effective February 1, 2009, due to the economy. Recommended rates have been lowered by .4% to .7% at each age with a maximum rate of 9.5% at ages 90 and above. For more information, see the ACGA website at [www.acga-web.org](http://www.acga-web.org)**

#### **Charitable Remainder Trusts**

A charitable remainder trust (CRT) establishes a separate legal entity to hold your gift in trust, the remainder of which will go to the Scottish Rite charity of your choice. One of the benefits of the CRT is that you can have more than two income beneficiaries, unlike the CGA, which limits you to only yourself and one other income beneficiary. This benefits anyone who wishes to make a large donation that will, in turn, benefit several family members. You can also name several charities to receive the remainder of your CRT.

#### ***There are two types of Charitable Remainder Trusts:***

A Charitable Remainder Annuity Trust (CRAT) establishes a trust, which will produce a fixed amount of income for you or a beneficiary, either for a set time or for your lifetime. Once the trust terminates, the remainder of the trust would go to any of the Scottish Rite charities you chose. The income generated by the trust is a fixed percentage based on the initial value of the trust and is paid to you quarterly.

A Charitable Remainder Unitrust (CRUT) is similar to the CRAT, with a couple of exceptions. First, the CRUT provides you with variable income based on the annual value of the trust, so your payments would go up or down each year depending on the value of the assets in the trust. Secondly, unlike gift annuities and annuity trusts, with the unitrust you may add more money to the trust over time.

#### ***Benefits of donating through a Charitable Remainder Trusts:***

- ◆ You will receive an initial tax deduction on the gift portion.
- ◆ It allows you to defer your capital gains tax or have it spread out over time.
- ◆ You will avoid probate and estate taxes on the remainder.

#### **Pooled Income Fund**

A Pooled Income Fund works much like a mutual fund. As people donate to the fund, their gift is added to a common pool of investments. The fund is managed by a professional investment group to ensure the best rate of return. It's a great way to invest without incurring the fees associated with other investments. This type of donation also generates income for you and up to two beneficiaries. As a donor, you will receive a percentage of the value of the fund, proportionate to your gift, on a quarterly basis for your lifetime. This type of donation also provides you with a tax deduction in the year you make the gift and, because you do not receive a capital gain on the appreciated value of your investment, you avoid a capital gains tax.

#### **Life Insurance Policy**

You also can donate a life insurance policy to your local or national Scottish Rite Foundation. If you have a whole life policy, for example, you can assign the policy to a Scottish Rite Foundation and get a charitable deduction for the assignment. The Foundation becomes the owner and beneficiary of the policy, and the amount of the policy is removed from your estate. If you continue to pay the premiums of the policy for the charity, you get a charitable deduction for the amount of the premium payments.

## Pledges

Through the Scottish Rite Pledge Program, an individual may pledge to donate to the Supreme Council's charities or to the local Scottish Rite foundation a certain sum per year for a period of up to five years or may make a pledge that will be satisfied through a specific bequest in the donor's will or living trust. If you make a pledge, the Supreme Council will recognize you according to the Scottish Rite Donor Recognition Program for the full amount of that pledge at the time you make the commitment rather than when it is fully paid.



Though a legacy gift, you have the opportunity to support the Scottish Rite philanthropic mission in a significant way. Your legacy will help us support the House of the Temple building, library and museums, as well as programs, such as RiteCare®, which provides evaluation and treatment to children with speech and learning disabilities. These gifts may fund our disaster relief programs for people affected by disasters like Katrina and September 11. Our scholarship program, which provides educational opportunities for college and vocational students, is also funded with the help of your legacy gift. By including the Scottish Rite charities in your estate plans, you will leave a legacy that passes the philanthropic principles of Freemasonry to our future generations.

For more information on these giving opportunities and other planned gift programs, contact the Supreme Council's Office of Development at (866) 748-3227 or (866) 448-3773, or by email at [developmentoffice@scottishrite.org](mailto:developmentoffice@scottishrite.org).