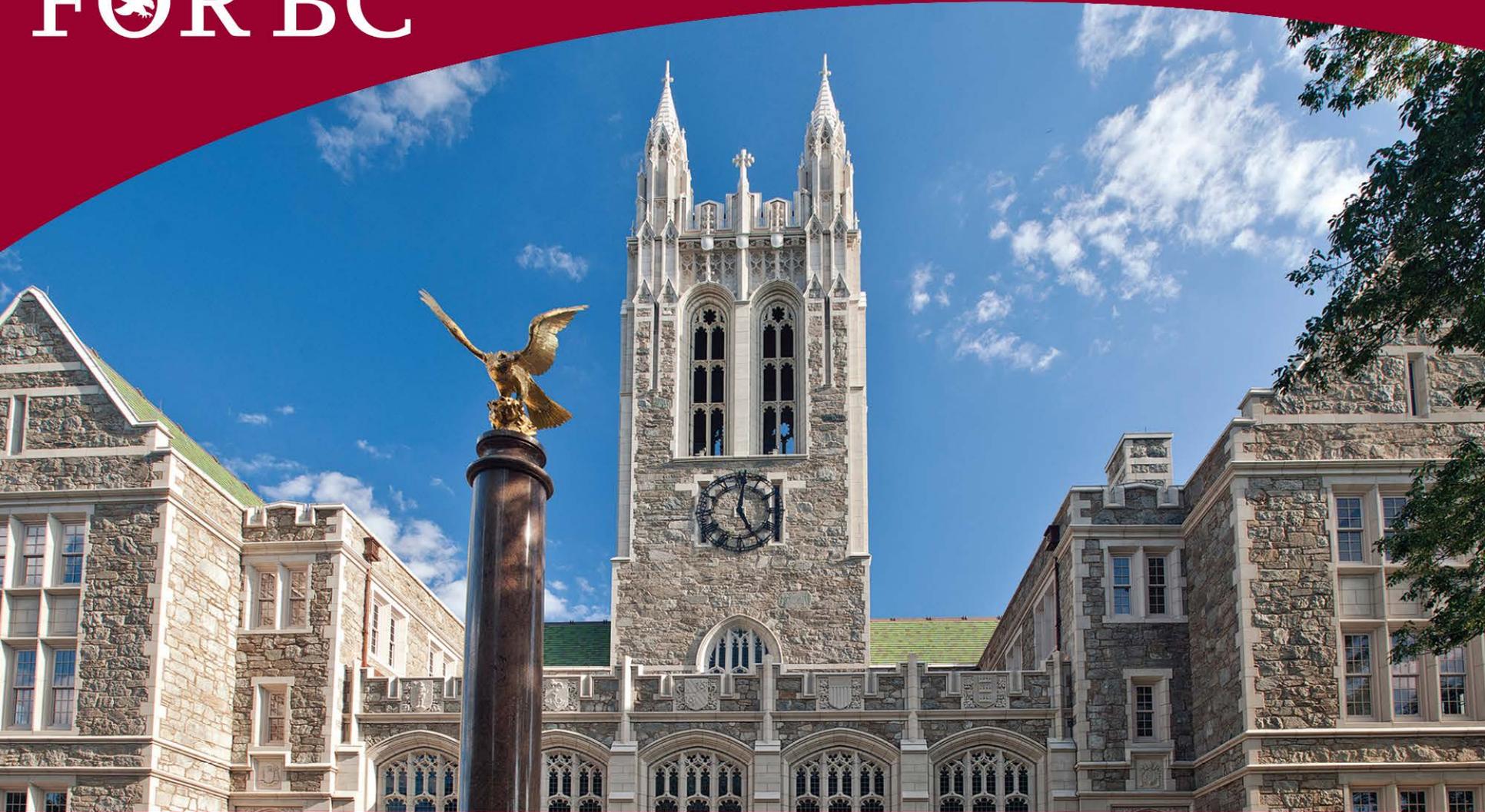


FOR BC



Philanthropy and Your Reunion Information on Gift Planning Strategies

January 25, 2018

Poll Question 1

What is the Office of Gift Planning?



*The Office of Gift Planning
helps BC alumni, parents and friends achieve their
philanthropic and financial goals
while simultaneously
helping Boston College fulfill its mission.*

Make a Difference for BC Eagles



Your gift will support what matters most to you at BC:

- BC Fund
- Financial aid
- Athletics
- One of BC's nine schools & programs



Potential Tax Benefits

- Charitable tax deduction
- Lower taxable income
- Avoid or lower capital gains tax
- Reduce taxable estate



Simple Ways to Give During Reunion

- Give online - www.bc.edu/give
- By phone - 888-752-6438
- By mail - please make check, payable to "Boston College," and send to:
Office of University Advancement
Cadigan Alumni Center
140 Commonwealth Avenue,
Chestnut Hill, MA 02467
- Give over time:
 - Monthly, automated gifts
 - Annual giving
 - Multi-year pledges



For even more ways to give please visit:

www.bc.edu/alumni/support
www.edu/reunion

Giving Appreciated Assets

Appreciated assets are long-term capital gain property, including:

- Stocks
- Bonds
- Real estate
- Tangible personal property (collections, artwork, etc.)



BC welcomes these as gifts and we are glad to speak with you about your specific situation. We also recommend that you consult legal and financial advisors on charitable deductions.

Benefits of a 10K Gift of Cash vs Stock

- You can deduct fair market value of securities held longer than one year regardless of original cost basis.
- You will avoid paying capital gains tax.

Key donor benefits of a \$10,000 gift of stock with a cost basis of \$2000

	CASH	STOCK
Current fair market value	\$10,000	\$10,000
Income taxes saved*	\$3,700	\$3,700
Capital gains taxes saved**	\$0	\$1,904
Total tax savings	\$3,700	\$5,604

*Using tax structure from new tax reform bill

**Assumes 20% capital gains tax & 3.8% surtax on net investment income

Charitable IRA Rollover

If you're 70 ½ or older you can use Individual Retirement Accounts (IRA) to make gifts to BC.

ROLLOVER!
Good IRA.



By making a charitable IRA rollover, donors can:

- Satisfy required minimum distribution
- Avoid federal and, in many cases, state income taxes
- Support class reunion goals

How an IRA Rollover Works

- You must be 70 ½ years of age or older when the gift is made
- Total charitable distributions cannot exceed \$100,000 per tax payer each year
- Can only be made from traditional or Roth IRA
- Gift must be made directly from IRA account to Boston College



Poll Question 2

What is “Planned Giving”?

Gift planning

Planned Giving

Legacy Giving

They all mean the same thing—a tax-wise way to make a difference at BC.

Common Types:

- Bequests
- Gift Annuities
- Charitable Remainder Unitrusts



Boston College Shaw Society



All planned gift donors automatically join the Shaw Society.

Nearly 2,900 members strong, the society honors Joseph Coolidge Shaw, S.J., who helped establish BC with a gift of books from his estate and the proceeds of his life insurance policy.



What are Bequest (estate) Gifts?



A bequest is property or money that is promised to a person or organization after death.

Why are bequests popular for supporting BC?

- Anyone can make it
- Easy to arrange
- Can be irrevocable or revocable
- Retain control of your assets
- Potential tax advantages for you and your heirs
- Provide greater gift to BC than you might otherwise think possible

How Can You Make a Bequest?

Will or Trust

- Add simple language while creating or updating will or living trust
- Can also add as amendment or codicil

Beneficiary Designation

- Retirement accounts – IRA, 401 (k), 403 (b), KEOGH
- Life Insurance
- Checking, savings or other accounts that are payable/transferable on death
- Donor Advised Funds (DAF)



Bequests are Flexible



Specific Amount

“I give the sum of \$X”

Specific Property

“I give 100 shares of ABC Corp. Stock”

“I give my home at 123 Anywhere Street”

“I give my Picasso Print”

Specific Percentage

“I give ___ percent of my estate/retirement plan/life insurance”

Residual

“I give [all or ___ percent] of the residue of my estate”

Contingent

“If my spouse and children do not survive me, I give...:”

BC's Estate Commitment Policy

BC wants to celebrate bequest donors.

If a donor and/or donor's spouse is at least 60 at the time of confirm their estate commitment, they will receive credit for the full, face value of the estate commitment

How?

Contact for a simple form or fill out online at www.bc.edu/joinshaw.

Counting estate commitments can grow the Shaw Society.



What are Life Income Gifts?



Life Income gifts can provide lifetime income to the donor and/or their designated beneficiaries.

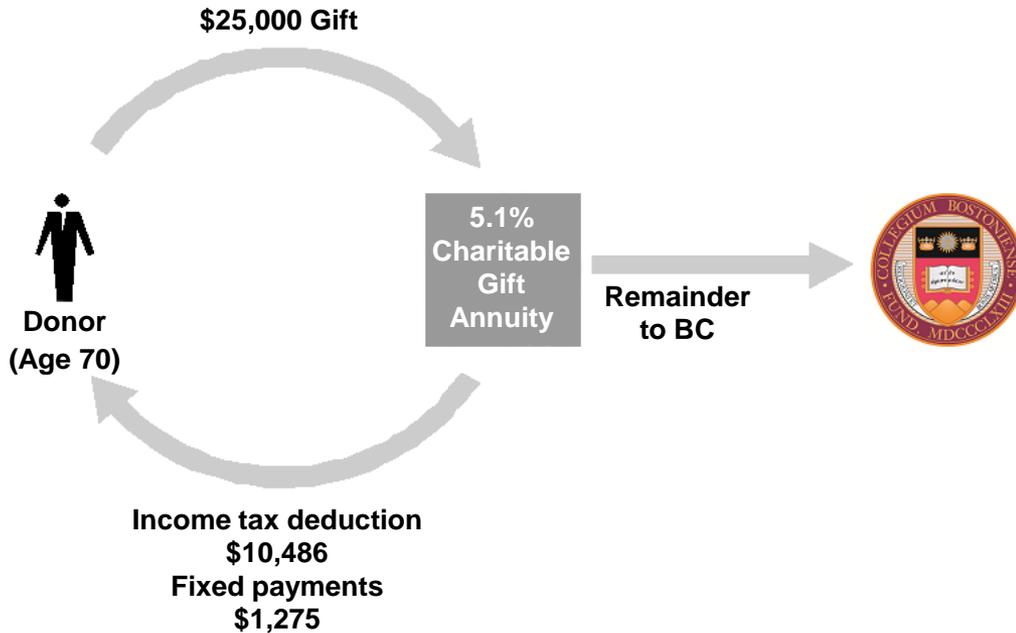
Two most common types:

- Charitable Gift Annuity
- Charitable Remainder Unitrust

For donors who want:

- Income for life for donor and/or named beneficiaries
- Potentially reduce capital gains, income, & estate taxes
- Expert management by State Street Global Advisors
- Support Boston College now and in the future

What is a Charitable Gift Annuity (CGA)?



- One-Life CGA
- Donor born Nov. 13, 1947
- Gift made Jan. 12, 2017
- Immediate payments (*not deferred*)

Benefits for You—and BC

Immediate

- Income tax deduction of **\$10,486**

Annual

- Annual payments of **\$1,275** for life

Future

- BC will receive remaining principal when annuity ends
- May reduce your estate taxes and costs

*Figures are based on rates recommended by the American Council of Gift Annuities.
Charitable income tax deduction calculated with a discount rate of 2.6% (subject to change).*

Benefits of CGA (cont)

BREAKDOWN OF ANNUITY PAYMENTS:

Gift of Stock	Capital Gain	Tax-free Portion	Ordinary Income	Total Annuity
2018 to 2018	442.50	442.50	351.04	1,236.04
2019 to 2032	456.45	456.45	362.10	1,275.00
2033 to 2033	424.07	424.08	426.85	1,275.00
2034 onward	0.00	0.00	1,275.00	1,275.00

Gift of Cash	Tax-free Portion	Ordinary Income	Total Annuity
2018 to 2018	885.00	351.04	1,236.04
2019 to 2032	912.90	362.10	1,275.00
2033 to 2033	848.15	426.85	1,275.00
2034 onward	0.00	1,275.00	1,275.00

Total reportable capital gain of \$7,256.87 must be reported over 15.9 years

After 15.9 years, the entire annuity becomes ordinary income.

CGA Income Options

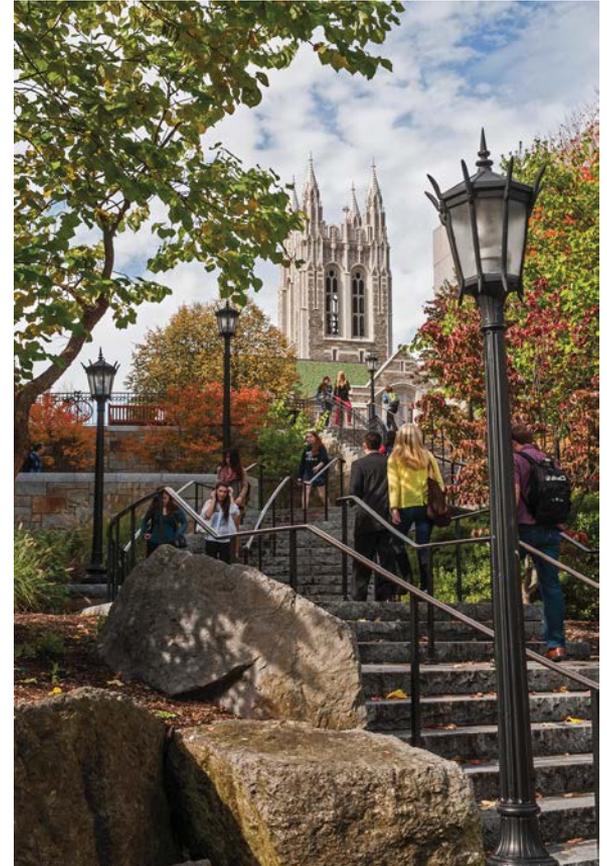
When a donor establishes a CGA, they can choose *when* to start receiving their income for life.

Immediate payment gift annuity:

- Begin receiving payments in the year gift is made
- Most common type of gift annuity

Deferred charitable gift annuity:

- Payments deferred to a specific future date
- Higher payout rate because the principal grows



Deferred Gift Annuity (DGA)

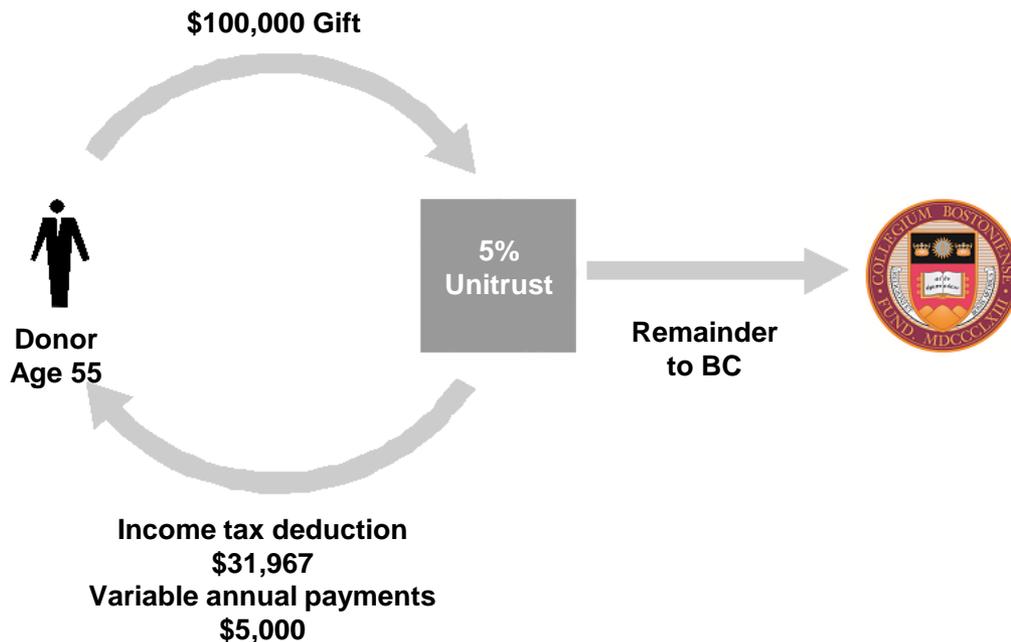
Donors can choose when to start a Deferred Gift Annuity.

Here is an example:

Current Age	Payment Age	Amount	Annuity Rate	Annual Income	Charitable Deduction (Est)
65	65	\$25,000	4.7%	\$1,175	\$9,332
65	70	\$25,000	6%	\$1,500	\$11,687
65	75	\$25,000	8%	\$2,000	\$14,147

Figures are based on rates recommended by the American Council of Gift Annuities (ACGA).
Charitable income tax deduction calculated with a discount rate of 2.6% (changes monthly).

What is a Charitable Remainder Unitrust (CRUT)?



- Donor born April 1, 1963
- Gift made Jan. 9, 2018
- Gift valued at \$100,000

Benefits for You—and BC

Immediate

- Income tax deduction of **\$31,967**

Annual

- First-year payment of **\$5,000**
- Future payments will vary and will continue for life of beneficiary

Future

- BC will receive remaining principal when trust ends
- May reduce your estate taxes and costs

Charitable income tax deduction calculated with a discount rate of 2.6% (subject to change).

Comparing Life Income Plans

	Charitable Gift Annuity	Charitable Remainder Unitrust
PAYMENTS		
Fixed annual amount	✓	
Grow when principal value grows		✓
Any number of beneficiaries	up to 2	✓
Income based on beneficiary age	✓	
Can defer payments	✓	
Backed by BC assets	✓	
OTHER ATTRIBUTES		
Can give cash or securities	✓	✓
Can give property or other tangible assets		✓
Can add money to gift		✓
Save taxes	✓	✓
Potentially eliminate cap gains tax		✓
Suggested minimum age (DGA)	Age 65 (55)	Age 50
Minimum gift	\$25k	\$100k
Can be designated to any area at BC	✓	✓

Questions About Planned Gifts at BC?

BC Gift Planning staff can provide personalized calculations based on your financial goals, assets, and age. We can offer sample language for wills and talk through tax considerations for testamentary gifts. Please contact us if you would like more information.



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