



Gifts that Grow

I view Rotary as strong enough to take risks in meeting human needs, and strong enough to channel philanthropic funds unselfishly to do the most good.

Gerald A. Meigs
Past Governor
RI District 5960

*...do the
...do the most good.
most good.*



If you would like more information on making gifts of life insurance, please contact:

Gift Administration
Fund Development Department
The Rotary Foundation
of Rotary International
One Rotary Center
1560 Sherman Avenue
Evanston, IL 60201-3698 USA
Telephone: (847) 866-3000
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The Rotary Foundation

How Your Insurance Gift Will Be Put to Work

Proceeds from gifts of life insurance will be placed in The Rotary Foundation's endowment, the Permanent Fund. Endowment gifts are pooled in an investment fund from which only the income is used, ensuring your gift will touch the lives of many generations and allow future Rotarians to meet the world's ever-changing needs.

The mission of The Rotary Foundation is to support the efforts of Rotary International in the fulfillment of the Object of Rotary, Rotary's mission, and the achievement of world understanding and peace through local, national, and international humanitarian, educational, and cultural programs.

Making Your Gift

Contact your insurance company

Forms to transfer ownership or to name The Rotary Foundation as beneficiary of your life insurance policy are available from the issuing insurance company. Complete the form as directed and return it to your insurance company for processing.

Contact The Rotary Foundation's Gift Administrator

Contact the Foundation's Gift Administration personnel to inform them of the incoming gift and ensure it meets the Foundation's gift acceptance standards. Gift Administration can help you complete the paperwork necessary to transfer ownership of, or purchase a new, whole or universal life insurance policy.

When ownership of a policy is assigned to The Rotary Foundation, the information transmitted to Gift Administration must include the donor's and insured's names and their relationship, the policy's face value, premium payment information, current cash value of policy, policy number, name of insurance company, and the original policy documents.

The information in this brochure does not constitute legal or financial advice and should not be relied upon as a substitute for professional counsel. The Rotary Foundation encourages you to seek professional legal, estate planning, and financial counsel before deciding upon a course of action.

...I VIEW *Rotary* AS STRONG
ENOUGH TO TAKE *risks*...



Rotarians see The Rotary Foundation as a powerful instrument for changing the future, for reaching out to better the lives of people they will never meet — not through handouts but with helping hands. Annual gifts build the future year by year; the Foundation's Permanent Fund offers the means to do still more.

Gifts of Life Insurance

The basics

Life insurance can be an important means of providing security for a growing family and support in times of unforeseen need. But life insurance can also be a way of making a gift to The Rotary Foundation.

There are several ways you can use life insurance to support the Foundation. You can name the Foundation as a beneficiary of a policy you already own, contribute the policy itself, or purchase a new policy and gift it to the Foundation.

The following examples show how a gift of life insurance can help you satisfy your personal needs while accomplishing your charitable giving goals. As the tax assumptions made below may not apply to your situation, the Foundation advises you to discuss your plans with your financial advisers.

Giving the Proceeds

Naming The Rotary Foundation as beneficiary

Many years ago, John Metcalf took out a US\$50,000 life insurance policy, naming his wife as beneficiary, to provide security for his young family. He is a widower now and has other assets to leave to his children, so he names The Rotary Foundation as the new beneficiary of the death benefit. His advisers have told him that his estate will receive an estate tax charitable deduction for the proceeds paid to the Foundation. However, because such a gift arrangement is revocable (a beneficiary designation can always be changed), John receives no tax benefit during his lifetime.

If John's wife were still living, he might have made the Foundation a contingent beneficiary, to receive the proceeds only in the event that she does not survive him. It would also be possible to split the proceeds — naming the Foundation as beneficiary of a fraction and family members or other organizations as beneficiaries of the remaining proceeds.

Gift minimums and recognition

The Foundation will accept beneficial interest in any fully paid life insurance policy or in any policy for which you continue to pay all premiums. If the Foundation's interest in your policy is valued between \$1,000 and \$9,999, you will be recognized as a Benefactor of The Rotary Foundation. If the Foundation's interest in your policy is valued at \$10,000 or more, you will be recognized as a member of The Rotary Foundation's Bequest Society.

Giving the Policy Itself

Gift of an existing policy

Now in his seventies, Paul Holmes finished paying for his \$25,000 policy some years ago and had almost forgotten about it, when he began thinking of making a gift to The Rotary Foundation. Since he cannot afford to give up an income-producing asset, his insurance policy will make an ideal gift.

In addition to naming The Rotary Foundation as beneficiary, Paul also transfers ownership of the policy to the Foundation. That way, his gift is irrevocable and — assuming he meets all criteria — he receives a charitable tax deduction in the year of the gift.

Paul's policy was paid up, but he also could have made the gift if premiums were still owed. By gifting the policy to the Foundation, he would receive a deduction for its current cash surrender value. If he continued to pay the premiums, he would also receive deductions for those payments.

Gift of a new policy

Chris Patten, age 45, has some discretionary income but cannot afford to contribute any of her capital. She purchases a new life insurance policy with a face value of \$50,000 and designates The Rotary Foundation as the owner and beneficiary of the policy. She elects to pay annual premiums of \$1,700 for five years. For each premium she receives an income tax charitable deduction. The deduction Chris receives would be allowed whether she paid

the premium to the insurance company or made contributions to the Foundation, which, in turn, paid the premium each year.

Chris's policy was not fully paid, but she also could have purchased a single-premium life insurance policy and named The Rotary Foundation as owner and beneficiary. In this scenario, she would receive a deduction for the policy's cash surrender value.

Gift minimums and recognition

The Rotary Foundation will accept ownership of any fully paid policy with a face value of \$1,000 or more.

When ownership of a whole or universal life policy is to be assigned to the Foundation, the face value must be at least \$5,000 if you wish the Foundation to make premium payments for you. In this case, the Foundation will pay the premium and send you an annual reminder notice. You will receive a receipt for the amount of your contribution.

A donor who makes The Rotary Foundation owner and sole beneficiary of a fully paid whole or universal life insurance policy with a face value of \$10,000 or more is eligible for Major Donor Recognition.

A donor who makes The Rotary Foundation owner and sole beneficiary of a whole or universal life insurance policy that is not fully paid but has a face value of \$10,000 or more is eligible for Bequest Society Recognition.

If you wish to insure someone other than yourself or your spouse, the minimum face value of the policy must be at least \$10,000. The insured must also be more than 21 years of age.