

Planned Giving

at the

Animal Rescue League of New Hampshire



A Lifetime and a Legacy of Giving...

The Animal Rescue League of New Hampshire's Humane Future Legacy Society

The *Humane Future Legacy Society* honors a special group of individuals who have notified the Animal Rescue League of New Hampshire of their intention to include the League in their estate plans.



The League has been the beneficiary of such gifts, both large and small, since our founding. Regardless of size, each gift has been critical to sustaining our core mission of saving the lives of homeless animals; in expanding the programs we have in place for the prevention of, and intervention in, animal cruelty and neglect; and in enriching the lives of the community through interaction with pets.

As we face the challenges of creating a future that has a humane community at its heart, we will rely on the generosity of individuals more than ever before to help us sustain our mission in the future. A planned gift is a gift that will benefit current animals in need and that will help us to create a world where companion animals are cherished as family members and treated with kindness and compassion. In turn, this attitude will improve the quality of the community as compassion becomes a way of life, creating a healthy and whole way of life.

Please remember the Animal Rescue League of New Hampshire in your will and trusts. Membership in the *Humane Future Legacy Society* is open to any individual who elects to give to the League by a bequest in their will, a retained income gift, a gift of their retirement plan benefit, or life insurance. While recognition often serves to inspire others, donors may always choose to give anonymously, and details will be kept strictly confidential.

About Planned Giving...

As the name implies, planned giving doesn't just happen. It is the result of a conscious effort to support the Animal Rescue League of New Hampshire that usually involves several things coming together:

- A belief in the mission of the Animal Rescue League of New Hampshire;
- Confidence in the management and sustainability of the League;
- An understanding of the individual financial implications of giving during a donor's lifetime; and
- A donor's desire to leave a legacy that extends beyond his or her lifetime.



What are some of the typical characteristics of individuals who become planned givers?

- Personal alignment with and belief in the direction of the organization;
- A history of giving, usually increasing in size and/or frequency as a donor grows comfortable with the League over time; and
- A history of personal investment of time, energy and/or talent in supporting the League (e.g., coming to events, volunteering, soliciting sponsors).

Some of the usual prerequisites for making a planned gift include:

- Consulting with an attorney, an accountant, a financial advisor, or other qualified financial planning professional;
- Identification of assets to be involved (such as an estate, a life insurance policy, an IRA or retirement plan account); and
- The crafting of a document stipulating the timing and/or triggers that determine the gift to the League.

Planned Giving Myths

There are some common misperceptions charities in general sometimes have about planned giving and planned givers...

1. Planned givers are not always “the wealthy”. Any gift amount given regularly or any portion of an estate can make a big difference. And one should never assume anything about another individual’s financial situation – real wealth isn’t always visible, and visible wealth sometimes isn’t real.



2. Motivations for giving vary, so we never assume a donor’s motivation for giving is obvious. Also, life circumstances change, and giving may change.
3. Not all planned givers are older. Some may have inherited wealth or have other sources of income that allow planned giving earlier in life.

There are also some common misperceptions about planned giving, but in fact:

1. Planned gifts don’t have to be large - any amount given regularly or any portion of an estate can make a big difference.
2. Planned gifts need not be kept a secret until the triggering event – the League would love to discuss your vision for the impact you would like to have.
3. Planned gifts don’t have to be posthumous – the League would enjoy being able to implement your vision during your lifetime, and share the news of your donation with other potential givers to inspire similar acts.

Common Avenues for Planned Giving

Below are some of the most common choices for planned giving (*however, nothing here should be considered financial or tax advice – if you wish to undertake planned giving you should consult a qualified professional*).

- **Bequests:** Leaving money through a will is one of the most common methods of planned giving.
- **Charitable Gift Annuities:** A gift annuity is a contract between a charity and a donor. In return for a donation of cash or other assets, the League would agree to pay you (or the person you designate) a fixed payment for life. You may be able to claim a charitable income tax deduction. If you fund a gift annuity with long-term capital gain property, you will have to report some of the gain, but may be able to report it in installments over many years. Income from a gift annuity can be deferred for a period of years. Deferred gift annuities are often set up by younger donors to supplement retirement income.
- **Charitable Remainder Trust:** This type of trust makes payments, either a fixed amount (annuity trust) or a percentage of trust principal (unitrust), to the charity (or charities) you choose to receive the income. You may be able to claim a charitable income tax deduction and may not have to pay any capital gains tax if the gift is of appreciated property. At the end of the trust term, the League would receive whatever amount is left in the trust.

Historical Note:

The League's largest single gift to date was given through a charitable remainder trust. Alice Wentworth, who died in 1969, set up a trust which paid the League quarterly amounts until 2006, when the final trigger event – the death of her nephew – took place and the trust distributed over \$404,000 to the League's endowment fund.



- **Life Insurance:** Life insurance gifts empower a donor to make a generous financial contribution even when there may not be many other assets. There are several ways to leverage life insurance, such as:



- Making the League the owner and beneficiary of an already existing paid-up life insurance policy (where you may be able to deduct an amount equal to the approximate cash value in the year that you make the gift);
- Making the League a beneficiary of an already existing life insurance policy where the full face value amount of the policy will go to the League at the time of your death (and although the proceeds from the policy will be included in your gross estate, the full amount received by The League may be deductible as a charitable deduction);
- Making the League the owner and beneficiary of a policy on which you are still paying premiums (where, as with a paid-up policy, you may be able to deduct an amount equal to the approximate cash value of the policy in the year that it is made);
- Purchasing a new policy and making the League the owner and beneficiary, where you may be able to deduct premiums as charitable contributions for as long as the premiums are paid, subject to state limitations (and the proceeds will not be included in your estate for tax purposes); and/or
- Donating your excess group-term coverage to the League (if you participate in a group-term life insurance policy through your workplace).

- **Retirement Plan Assets:** If the largest asset in your estate is your Retirement Plan—your 401(k), IRA, Keogh, or other such accounts—you may be surprised to learn that the IRS will impose income tax on any balance that you direct to a non-spouse beneficiary in addition to the estate tax that may be imposed on the account, consuming up to 75% of the value of the account. However, if you name the League as the beneficiary of your retirement plan and use other assets not subject to income tax to make gifts to your heirs, the League won't have to pay income tax on its distribution and your heirs will receive their share of your estate without the burden of extra taxes.

There are certainly other versions and methods of planned giving; however, those discussed above are the most common.

How to Get Started...

To make a planned gift to the Animal Rescue League of New Hampshire, please contact Caroline Boyd, President & CEO, for more information at 603.472.5710 or caroline@rescueleague.org. In addition, please contact your financial professional to determine the form of planned giving that best meets your philanthropic and financial objectives.

**You cannot do a kindness too soon,
for you never know how soon it will
be too late.**

- Ralph Waldo Emerson