

Spring 2020

# PERSONAL PLANNING NEWSLETTER



President Lyle Roelofs pauses to congratulate 2020 graduate Aaliyah as students moved out of the residence halls three days before the Centers for Disease Control and Prevention issued guidelines for social distancing.

Continuing the mission and supporting students as they pursue academic, personal and professional goals

## IN THIS ISSUE:

- A message from the Director of Planned Giving
- Student Spotlight
- Charitable Gift Annuity
- CARES Act

Contact our office by calling **800-457-9846**, or email us at [plannedgiving@berea.edu](mailto:plannedgiving@berea.edu), to learn about all your giving options. We would appreciate the opportunity to discuss the possibilities with you.

## MESSAGE FROM THE DIRECTOR OF PLANNED GIVING



During this global pandemic, it is so important that we reach out and continue to connect with each other. I sincerely hope that you and your family are safe and well, and I encourage you to reach out to me or any member of our Planned Giving team to simply check in with us and let us know how you are doing.

Berea College has continued to educate students of great potential and little means during the Spring semester through the creative, thoughtful and comprehensive work of our faculty. We continue our mission and are serving students and our community with the utmost care. Now more than ever, we need to come together to provide support and encouragement for one another. I encourage you to visit [www.berea.edu](http://www.berea.edu) to learn about how Berea is moving forward through this uncertain and challenging time. You can also find stories about how various students and College departments have been continuing their work through this pandemic, while upholding the College's mission.

In this newsletter, we continue to share student stories and how donors have made a powerful impact on them. I hope you enjoy reading about the transformational internship opportunity experienced by Sitwat, a member of the Class of 2021 who is featured. This high-quality learning experience was made possible by our generous donors, and I join Sitwat in expressing tremendous gratitude for this support. This experience will continue to make a significant impact in her life as she navigates her next steps.

To keep you updated, information regarding the recent CARES Act and other tax information is available on the back cover of the newsletter. Please read this article and contact us or your financial advisor to learn more.

Here at Berea, we enjoy recognizing and celebrating our donors, and were looking forward to expressing our gratitude during the Berea College Legacy Celebration originally scheduled for June 11th. Although the event was postponed, honoring our Great Commitments Society members is of significant importance to all of us, and we look forward to hosting this event at a later date. Until then, please know that you and your loved ones are in our thoughts, and we look forward to speaking with you as we continue to reach out to our friends and alumni.

We in Planned Giving and throughout the College remain grateful for your steadfast support. We appreciate how you have been here for us, and we will continue to be here for you.

Please accept my warmest wishes for the health and safety of you and your loved ones.

*Amy Harmon, '99*

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P.S. Please consider supporting Berea's students and our greatest need by contributing to the Berea Fund today at [give.berea.edu/give](http://give.berea.edu/give).

## SITWAT

CLASS OF 2021

MAJOR: POLITICAL SCIENCE

MINOR: FILM PRODUCTION



Sitwat at the United Nations during her internship.

## DONORS MAKE DREAM INTERNSHIP POSSIBLE

Raised in Kosovo and Sierra Leone, spending two years in Pakistan and then moving to Texas, Sitwat found her way to Berea College and has experienced an enriching academic and extracurricular environment. “This is a new part of the world that I haven’t experienced yet, and I love getting the chance to do so,” said Sitwat.

Majoring in political science and minoring in film production, Sitwat aspires to earn a graduate degree in international relations and work in the field of diplomacy and conflict resolution. Securing an internship at the United Nations was a high priority for Sitwat, and upon arrival at Berea College she visited the Office of Internships and Career Development. She was happy to learn that, thanks to the support of generous donors, Berea is able to underwrite expenses for two internships per student. Through much research and hard work, Sitwat secured an internship representing the Permanent mission of Sri Lanka to the United Nations, where she engaged in representation and research-oriented work related to topics and stances being discussed at the High Level Political Forum as well as the general proceedings of the organization.

Sitwat praises Berea’s Office of Internships and Career Development, sharing that she benefited greatly by the comprehensive support provided. Esther Livingston, Director of Internships, helped coordinate transportation and housing needs and kept in touch with Sitwat to ensure the internship was providing a

safe and educational, hands-on learning opportunity. Sitwat shared that Livingston went above and beyond, working to secure Sitwat a loaner laptop when hers required repair. “This whole internship was because of Berea. I would not have been able to fund it otherwise,” she said.

Sitwat’s internship at the United Nations not only provided an immersive learning experience, it also provided a networking opportunity that will help Sitwat in her goal to attend graduate school. She also met her role model, Pakistani journalist and former Ambassador, Dr. Maleeha Lodhi, while she was working at the UN. Additionally, Sitwat was invited back to the UN to attend the 74th session of the United Nations General Assembly, where heads of state meet annually to discuss critical issues. Sitwat was able to accept this prestigious offer because of Berea College’s support.

**“I would not have had the opportunity to experience any of this if it wasn’t for Berea. I’m so lucky that somebody invested in my life like that. It is a life-changing experience. It’s very humbling,” said Sitwat.**

This life-changing experience has positively impacted Sitwat, who said, “I already know that I’m sending money to Berea so that somebody else can get the experiences I have had.”

To make your plans to support students like Sitwat, please call **800-457-9846** or email us at [plannedgiving@bera.edu](mailto:plannedgiving@bera.edu).

# The Security of a Charitable Gift Annuity

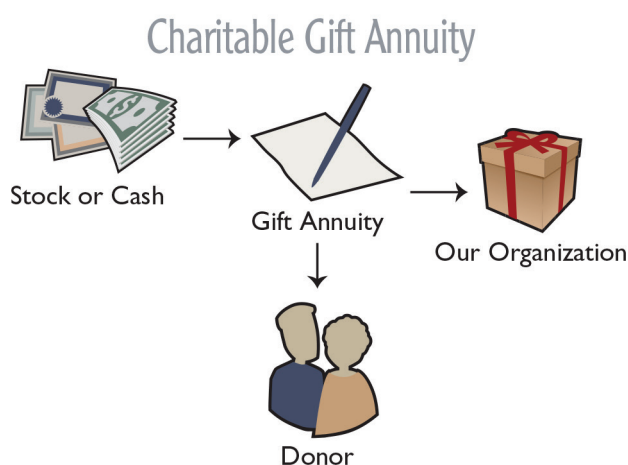
## A Gift that Provides Lifetime Fixed Payments

Are you concerned about fluctuation in the markets? Are you looking for security now or in the future? A charitable gift annuity, also called a CGA, can provide you with secure, fixed payments for life and help you leave a lasting personal legacy to support Berea College.

### What does Security Look Like?

When you make a gift to Berea College to fund a charitable gift annuity, we make a promise to pay you fixed payments for life. **Here are some of the benefits:**

- You may benefit from a charitable income tax deduction in the year of your gift.
- Payments will be made to you at a rate based on your age.
- A portion of your payments could be tax free and subject to lower capital gains tax rates.



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### The Benefits of Funding a CGA with Stock

- A gift annuity offers even more benefits when you fund it with stock or other appreciated assets.
- You will bypass the capital gains tax allocated to the charitable gift portion of your gift annuity.
- Part of your CGA payments will be taxed at capital gains tax rates.
- Your gift will be based on the current value of your stock.

### A Gift Annuity can be Part of your Retirement Plans

If you are planning for retirement, a gift annuity can be a way for you to begin planning today and create security for your future.

- Payments can be made to you, or to you and your spouse, or to a designated beneficiary for as long as you, or the designated beneficiary, live.
- You can defer beginning payments until your retirement date. You will still receive a charitable deduction for your gift this year.
- The payment start date can be flexible if you do not have a definite retirement date.
- You will receive fixed payments for life. The longer you wait before receiving payments, the larger the payments will be.
- Berea College benefits from what remains after all payments have been made to you.

*Continued on page 5 Charitable Gift Annuity*

To view a personalized Charitable Gift Annuity exhibit, please contact us at **800-457-9846** or **plannedgiving@berea.edu**.

## Charitable Gift Annuity *continued*

You can select how often you receive the annuity payments: either monthly, quarterly, semi annually or annually. Contact our Planned Giving team to discuss the best payment options to meet your needs.

### Definitions

#### Charitable Gift Annuity

A contract between a donor and charity where the donor contributes an asset in exchange for a lifetime of fixed payments.

#### Deferred Gift Annuity

A gift annuity where the first payment date is delayed, giving the annuity recipient higher payments and a higher income tax deduction for the donor.

#### Appreciated Assets

Assets that have increased in value while you have owned them.

### Capital Gains Tax

A tax due when you sell a capital asset. The tax is based on the difference between the current value of an asset and your cost basis (often what you paid to acquire the asset).

### Let Us Help You

Please contact your Berea College Planned Giving team for more information on the benefits of a charitable gift annuity. Ask us to create an illustration with your potential gift annuity payment rate and tax benefits.

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## Ideas for Giving and Moving Forward in 2020

# Planning FORWARD

In times of uncertainty

Berea College maintains its steadfast commitment to Berea students during the COVID-19 pandemic and continues to move forward with its important work. In the midst of all that is going on, many of our alumni and friends are looking forward to the future when they can enjoy shared time with those in their community and resume their regular activities. In response to the current situation, Congress recently enacted several tax law changes. The information below is intended to offer some ideas for you to consider if you are thinking about making a gift in support of our mission during this time.

### 1. CARES ACT

This recently passed law includes several charitable tax provisions to encourage giving. These include:

- A new deduction for charitable donors who do not itemize when filing their tax returns. If you do not itemize but make a cash gift to charity, you will be allowed to take a special tax deduction, up to \$300 (per taxpayer unit), to reduce your tax liability.
- An increase in the deduction limit up to 100% of a donor's annual income for cash gifts (previously the deduction was capped at 60% of annual income). If you make a gift you will be able to deduct more this year.
- The new law temporarily suspends the requirements for required minimum distributions (RMD) for the 2020 tax year. If you are 70½ or older, you can still make a gift from your IRA and realize potential tax benefits.

### 2. Donor Advised Funds

If you have a Donor Advised Fund (DAF) and wish to help Berea this year, you can make a gift from

your DAF to support its work without affecting your personal financial security.

### 3. Charitable Gift Annuity

If you are concerned about your financial security given the ups and downs of the stock market, you may want to consider making a gift to fund a charitable gift annuity. You might be surprised by the benefits. You can exchange your low-performing stock, CDs or cash for guaranteed, lifetime fixed payments. If you make a gift of an appreciated asset, you will not have to pay capital gains when you fund the annuity. You may also benefit from a tax deduction this year and a portion of your payments could be tax-free.

### 4. SECURE Act

In December, Congress passed the SECURE Act, limiting stretch payments to IRA beneficiaries to 10 years. If you planned to benefit your children with your IRA, your heirs will now pay higher taxes on the inheritance they receive from you. When you revisit your estate plan, consider funding a testamentary charitable remainder unitrust with your IRA balance. This plan can provide lifetime payments to your heirs and spread out the taxes on their inheritance.

If you are interested in learning more about any of these ideas, please contact us. Please also let us know how we can help you during this time.

Support Berea's students and our greatest need by contributing to the Berea Fund today at [give.berea.edu/give](https://give.berea.edu/give).

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Contact our office by calling **800-457-9846**, or email us at [plannedgiving@berea.edu](mailto:plannedgiving@berea.edu), to learn about all your giving options. We would appreciate the opportunity to discuss the possibilities with you.