



WAYS TO JOIN THE BELL SOCIETY AT PEDDIE SCHOOL

The Bell Society recognizes planned gifts from alumni, parents and friends who have included Peddie School in their will or trust, have designated Peddie as a beneficiary of a retirement plan, life insurance policy or financial account, or who have established a life income plan for the school's benefit. We greatly appreciate the foresight of philanthropic individuals whose gifts will begin to make an impact posthumously and will help the Peddie experience endure for generations to come.

Membership: The roster of 205 living Bell Society members is published annually in the *Report of Giving*. In addition, the names of living and deceased members (293 in total) appear on the wall hanging located near the bell at Annenberg Hall which is updated each spring. The Bell Society welcomes new members throughout the year.

Generally speaking, planned gifts are either revocable or irrevocable and each type offers many ways for you to become a member of the Bell Society:

1) Revocable gifts allow the flexibility to change your mind.

- a. **Bequest Intention:** Bequest intentions have played a vital role in supporting Peddie. For some donors, a gift in your will or revocable living trust is the most common way of contributing to Peddie in the future. No bequest is too small; all sizes are welcome! Peddie accepts a bequest of cash or marketable securities, or specific property such as real estate, or works of art.

Your bequest intention may be used for a purpose of special interest to you, or it may be for the school's general, unrestricted uses; enables Peddie to direct your gift where it will have the greatest impact. In addition, the school welcomes a gift for school priorities such as faculty support, financial aid, academic and programmatic support, or campus facilities. If your will creates a bequest for a restricted use, however, it is important that the bequest be described as broadly as possible and that it include a clause to allow for other uses under changed conditions in the future.

Bequest intentions may take several forms, including:

- **Specific Bequest:** Peddie would receive a specific dollar amount or percentage of the estate.
- **Residuary Bequest:** Peddie would receive all or a percentage of your estate after all other specific legacies and expenses had been provided for.
- **Trust Established under a Will:** You provide for an income to be paid from the trust to one or more individuals upon whose death(s) all or part of the principal passes to Peddie in a form, which would ensure your estate a deduction for estate tax purposes.
- **Contingent Bequest:** Peddie would receive a part or all of your estate only if the other beneficiaries do not survive you. This is appropriate for young alumni who, over the course of time, plan to convert the gift to a non-contingent bequest.

For an unrestricted bequest naming Peddie, the following wording is suggested:

I give and bequeath to The Peddie School, a nonprofit corporation in Hightstown, New Jersey, the sum of ___ Dollars (\$_____) for such purposes as the trustees shall determine to be in the best interests of The Peddie School.

- b. Designation of Qualified Retirement Plan, Life Insurance Policy, Donor Advised Fund or other financial accounts: Some alumni prefer to use non-probate assets for the naming Peddie as a charitable beneficiary. Upon death, your estate might be entitled to a full charitable deduction for this gift.

If you wish to name Peddie to receive a portion, or all, of your IRA, 401(K) or other plans, then you complete the “change beneficiary form” of the issuing company and use the school’s IRS Tax I.D. number might be necessary: #210634492. Peddie accepts gifts of any size; there is no minimum gift amount. Please consult with your attorney and tax advisors to review whether a charitable gift is appropriate in your situation.

2) Irrevocable gifts afford you an immediate federal income tax charitable deduction.

- a. Life income plans: BNY Mellon – Planned Giving manages life income plans established at Peddie School. In this gift, the donor transfers cash or marketable securities to the school in exchange for payments for life, up to two individuals such as a donor and spouse. At Peddie, the beneficiary of a life income plan must be at least 65 years of age. You will receive an immediate charitable deduction for this planned gift; however, the deduction is limited to the present value of the charitable portion.

- 1. Charitable Gift Annuity: This is a contract between you and Peddie whereby you make a gift of cash or marketable securities to Peddie in exchange for payments to you for life. The school follows rates recommended by the American Council on Gift Annuities (“ACGA”), which vary with age. The gift is designed to eventually distribute 50% of the gift amount to the school. At Peddie, the minimum gift is \$25,000. Examples of the most recent ACGA include:

<u>One-Life Plan</u>		<u>Two-Life Plan</u>	
Age	Rate	Age	Rate
65	4.7%	65-65	4.2%
70	5.1%	70-70	4.6%
75	5.8%	75-75	5.0%
80	6.9%	80-80	5.8%
85	8.0%	85-85	6.9%

If you prefer, you can defer gift annuity payments for a period of years and this will allow for a higher payout rate and greater charitable deduction.

- 2. Charitable Remainder Unitrust: This is an individually-managed trust with a fixed payout rate of 5% for life or a fixed term of years, up to 20 years. Payments to you vary based on the trust’s current market value and the beneficiary enjoys higher payments as the trust grows. Peddie can serve as trustee of a unitrust, with a minimum gift of \$100,000. The school also is pleased to be named as a remainder interest in trusts managed by outside banks and individual trustees. Alternatively, Peddie can offer a charitable remainder annuity trust with fixed payments but it is less popular due to stringent IRS qualifications.

3. The Peddie Pooled Income Fund: This is an extraordinary way to leverage your support to the school over your lifetime. The balanced investment portfolio provides a variable payout rate of approximately 3.2% and as trustee, Peddie distributes all net income each quarter to you. This enables the gift to grow tremendously over time. The minimum gift is \$25,000.
 4. Charitable Lead Trust: Peddie is pleased to be named as a beneficiary of the type of charitable trust which makes payments to Peddie for a term of years after which time the trustee distributes principal, almost tax-free, to your heirs. The school does not serve as trustee of such accounts.
- b. Real estate gifts: The Gift Acceptance Committee reviews gifts of real estate on a case-by-case basis. These gifts require due diligence by the school's Business Office. If you own a vacation home or a personal residence which you no longer need and would like to use to fund a gift to Peddie, then please consider two types of real estate gifts that qualify you for membership in the Bell Society:
1. Retained Life Estate: You could convey the deed to a personal residence or farm to Peddie but retain a life tenancy for yourself or your loved ones. You would continue to bear all responsibilities of ownership. This gift removes the property from your estate and you can claim an immediate income tax charitable deduction for the difference between the present value of the property and the present value of the life tenancy.
 2. Bargain Sale: You can sell real estate to Peddie School below its fair market value, and receive a deduction for the difference between the market value and the sales price.

In addition to those described above, there are many other planned gift options that will qualify you for membership in the Bell Society. Please visit peddie.org/giftplanning or the Alumni & Development Office at 609-944-7521. Thank you for your thoughtful planning for Peddie School.

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