



RMHC[®]
Northeast Ohio

LEGACY SOCIETY



Keeping families close[®]

A close-up photograph of a woman with long dark hair, smiling warmly as she holds a baby. The baby is wearing a light blue, textured knit sweater and is looking down at a toy with yellow beads and a green ring. The woman's face is partially visible on the right side of the frame, and she has a gold-colored earring. The background is softly blurred, suggesting an indoor setting.

**WHAT WOULD
YOU LIKE YOUR
LEGACY TO BE?**

Expressing your legacy through philanthropy can come in many forms.

At any time, you may make an outright gift to Ronald McDonald House Charities® of Northeast Ohio, Inc. (RMHC NEO) in support of our mission and the families we serve. The gift may be in the form of cash, closely held stock, securities or mutual fund shares, an IRA, retirement accounts, artwork, personal property or equipment, life insurance, or even real estate.

In addition to or as an alternative, you may **also choose to support RMHC NEO through gifts in your estate planning** such as a simple bequest in your will, an IRA distribution, or by other gift planning vehicles that can provide income to you or loved ones. What is important, is that **you express the legacy you wish to create through careful planning that benefits your loved ones and the issues about which you care deeply.**

A planned gift allows you to make significant contributions either during your lifetime or upon death as part of your overall financial planning. Choosing what and how to give depends on your own financial goals and personal circumstances.

All gifts to RMHC NEO are used effectively to continue our important mission of enhancing the healthcare experience for families and children through comfort, care and supportive services. **Your planned gift is a lasting tribute and testament** to your commitment to philanthropy and your loved ones.

Benefits of Membership in the Legacy Society

- Name(s) listed in Annual Impact Report
- Quarterly organizational update mailings
- Invitation to annual CEO/leadership presentation and reception



For more information go to
RMHCneo.org/plannedgiving



HOW DO YOU WANT TO MAKE A DIFFERENCE?

Providing a Gift Through Your Will

A bequest is one of the simplest ways to make a planned gift to RMHC NEO. It is a gift made by will or trust, which may be as general or as specific as you wish. **You may designate a specific dollar amount, a percentage of your estate, specific property, or the remainder of your estate.** If you wish, you may designate the purpose for which your gift is to be used.

RMHC NEO has been the beneficiary of countless bequests, both large and small, for decades. For more than 40 years, all gifts, no matter how modest, have benefitted families with an ill or injured child. **We hope you might consider including RMHC NEO in your will.** You may also benefit from using our FreeWill tool to create a will at no cost.



Get started at
freewill.com/rmhcnco

Benefits of a Bequest

- Simple to set up – a few sentences in your will
- Costs you nothing now and you retain control of your assets
- Assets left to RMHC NEO are removed from your taxable estate, reducing any estate taxes
- Membership in the Legacy Society

Bequest Language

We suggest the following language to make a bequest in your will.

I give, devise and bequeath to Ronald McDonald House Charities® of Northeast Ohio, Inc., or its successor in interest, (Tax ID #34-1269123), whose legal address is currently 10415 Euclid Ave. Cleveland, OH 44106, the sum of \$_____ (or describe the percentage of estate or specific asset/type of property you wish to give), for its unrestricted and general purposes (or for a designated purpose of your choice).

Naming RMHC NEO as Beneficiary of an IRA

It is simple to name RMHC NEO as full or partial beneficiary of all or a percentage of your IRA or company retirement plan. Any individuals named as beneficiaries of the IRA or retirement account (that is not a ROTH account) must pay income taxes at ordinary rates on any distributions they receive from the retirement account. Hence, the best income tax result is to benefit a charity from the retirement account and your loved ones from other assets that will not be subject to income tax when they receive them. In addition, any amounts left to a charity at death would also receive an estate tax charitable deduction, thus reducing any applicable federal estate taxes.

We highly encourage you to contact the development staff at RMHC NEO to discuss your interests so that we may honor your wishes.



WHAT DO
YOU VALUE?

Charitable Gift Through Your IRA Charitable IRA Rollover

Individuals age of 70 ½ or older can donate up to \$100,000 tax-free per year from their IRAs directly to RMHC NEO. Though you do not receive an income tax deduction from these qualified charitable distributions (QCDs), the amount donated will not be included as taxable income and, starting at age 72, **the gift will count toward satisfying the required minimum distribution (RMD)**. You should consult with your financial advisor about your specific situation.

Charitable IRA Rollover Rules

- You must be 70 ½ or older
- Transfer must be made directly from your IRA administrator to RMHC NEO by December 31
- You may distribute up to \$100,000 to charity in a calendar year
- The gifts must be outright. No material benefit can be received in return for the gifts
- Gifts cannot be used to fund life income gifts such as charitable gift annuities or charitable remainder trusts
- The Charitable IRA distribution can be used to pay a pledge

Sweeping retirement legislation enacted at the end of 2019—the SECURE Act—made two changes impacting QCDs:

- The SECURE Act increased the age at which IRA owners must begin taking RMDs from 70 ½ to 72. While IRA owners may still make tax-free QCDs beginning at age 70 ½, the QCDs will not also help satisfy your RMDs until you turn 72 and are required to take RMDs
- In addition, you must now reduce your QCDs by the amount of any deductible contributions you make to your IRAs after age 70 ½



To make a QCD to RMHC NEO,
go to freewill.com/qcd/rmhcneo

Benefits of Charitable IRA Rollover

- You can make a significant gift without using cash or other assets
- Rollover amount is a tax-exempt distribution and not subject to income tax
- Charitable IRA Rollover can be used to meet all or a portion of the RMD
- Membership in the Legacy Society

How to Make a Gift from your IRA

- Contact your IRA administrator and instruct them to transfer fund(s) to RMHC NEO or the charities you designate, or you may write a check payable to RMHC NEO from your IRA checkbook
- Inform us of the designation of your gift



**WHAT IMPACT
WOULD YOU
LIKE TO MAKE?**

Giving and Generating Income Charitable Remainder Trusts

There are ways to make philanthropic gifts while still generating income for yourself or someone else. Below are various ways to achieve both goals.

Charitable Lead Trust

A charitable lead trust allows you to make annual gifts to support RMHC NEO for a term of years, typically 10-20. At the same time, this intergenerational wealth-transfer tool enables you to provide for your heirs, while sharply reducing gift and estate taxes. When the term ends, trust assets are transferred typically to your children or grandchildren.

- Federal gift and estate-tax deductions for the value of annual trust payments to RMHC NEO may enable you to transfer to your heirs a larger estate after tax than would otherwise be possible
- Any income from or appreciation in the assets during the term of the trust, while subject to capital gains tax, is not subject to gift or estate tax at the trust's termination
- Cash and high-basis marketable securities are the best assets to fund a lead trust

Charitable Remainder Annuity Trust (CRAT)

A charitable remainder annuity trust is a gift transaction in which a donor contributes assets to an irrevocable trust that then pays a fixed income amount to the donor or another noncharitable beneficiary in the form of an annuity, typically calculated as a percentage of the initial value of the trust assets.

- The annuity distribution value must be no less than 5% and no more than 50%
- When a CRAT's term is up (no longer than 20 years) any funds that remain are donated to RMHC NEO
- You can earn an immediate charitable tax deduction in the year of your gift, providing a tax savings if you itemize
- You remove the gift assets from your taxable estate. There are also several other tax benefits to you for this kind of gift

Charitable Remainder Unitrust (CRUT)

A charitable remainder unitrust pays a fixed percentage of the trust's value, as determined on an annual basis.

- Similar to CRATs, the minimum annuity payout is 5% of the fair market value of the trust assets determined annually
- You can make additional contributions to a CRUT after the initial contribution. This type of grantor trust can provide income to a named beneficiary, including you or a family member
- Once the donor passes away, any assets remaining in the trust go to RMHC NEO
- While CRATs come in one variety, it is possible to establish different types of CRUTs

Giving and Generating Income

Charitable Gift Annuities

Charitable Gift Annuity (CGA)

A charitable gift annuity provides fixed payments for life in exchange for a gift of cash or securities to RMHC NEO. Setting one up requires a simple contract.

- The gift is irrevocable to ensure that whatever is left of your gift when the annuity ends will go to support RMHC NEO
- The payout rate available depends on age. The older you are when the annuity is set up, the higher the payment you or your designee will receive
- Your payments are predictable and not affected by investment or market conditions and they will last your lifetime. You cannot outlive your payments
- You can earn an immediate charitable tax deduction in the year of your gift, providing a tax savings if you itemize and you remove the gift assets from your taxable estate. There are also several other tax benefits to you for this kind of gift

Deferred Charitable Gift Annuity

Similar to the charitable gift annuity, the deferred CGA also provides fixed income for life in exchange for a gift of cash or securities. The payments start on a date that you choose that is at least one year after you make the gift. The annuity rates are even more generous for a deferred gift annuity. It is also irrevocable once the gift is made and there are several tax benefits to you for this kind of gift.

Gift Comparison Chart

There are many ways to make a planned gift depending on your goals.

Goal	Gift Type	How To / Benefits
Help RMHC NEO families and receive an immediate tax deduction	Outright Cash	Deduct 100% of gift for federal tax purposes
Support RMHC NEO without depleting cash reserves while also avoiding capital gains	Appreciated Securities	Donate gifts of appreciated stocks, bonds, and mutual funds through your broker and eliminate capital gains tax.
Provide for RMHC NEO and avoid income tax liability of mandatory income from an IRA	IRA Charitable Rollover Gift	Contact your IRA administrator to request a charitable distribution directly to RMHC NEO. If you qualify, you can distribute up to \$100,000 per calendar year to charity from your IRA.
Make a future gift without affecting your current lifestyle	Charitable Bequest	Retain control of your assets in lifetime and reduce estate and death taxes.
Provide for RMHC NEO in the future and receive fixed or variable payments for life or a defined period	Charitable Remainder Trust	Transfer cash or appreciated property to a trust that will provide an annual income to you or other beneficiaries. At the end of the trust, the remainder is transferred to RMHC NEO and used according to your wishes.
Support RMHC NEO and reduce your beneficiaries' taxable income	Charitable Lead Trust	Transfer property to a trust that provides an annual income stream to RMHC NEO for a specified period. Upon expiration of the period, the remainder interest is transferred to your beneficiaries.
Make a current or future gift of an asset you may no longer need	Life Insurance	Make RMHC NEO the beneficiary of a new or existing life insurance policy. Receive tax deduction for ongoing premium payments.
Provide for RMHC NEO and maximize a tax-free gift of retirement assets	Retirement Plan or IRA Account	Name RMHC NEO as a full or partial beneficiary of your retirement or IRA account on your plan's beneficiary designation form.

Make a difference with us today.



**Ronald McDonald
House Charities®**
Northeast Ohio

Ronald McDonald House Charities® of Northeast Ohio, Inc.

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www.RMHCneo.org

*This information is not intended as tax, legal, or financial advice. Gift results may vary.
Consult your personal financial advisor for information specific to your situation.*

Ronald McDonald House Charities of Northeast Ohio, Inc. (RMHC NEO) is recognized as a public charity under Internal Revenue Code section 509(a) and has 501(c)(3) status. Donations to RMHC NEO are deductible. Donors should consult their tax advisor for questions regarding deductibility. The RMHC NEO EIN is 34-1269123. A copy of the RMHC NEO determination letter is available upon request.