

Let Centre

BE YOUR CHARITABLE GIVING RESOURCE



WHAT YOU NEED TO KNOW ABOUT THE NEW RETIREMENT PLAN LAWS

The Setting Every Community Up for Retirement Enhancement (SECURE) Act was enacted Jan. 1, 2020, and with it came the most significant changes to retirement plans since 2006. Here's what changed and what stayed the same.

What Changed

- 1 You can contribute to your IRA longer.** You can now continue to contribute to your IRA past the age of 70½, allowing you more time to save.
- 2 The required minimum distribution (RMD) age changed.** The SECURE Act changed the age at which you must start taking RMDs from your retirement account, from 70½ to 72 for those who were born July 1, 1949, or later. This change gives your account additional time to grow.
- 3 Non-spousal IRA beneficiary rules changed.** If you name someone other than your spouse as the beneficiary of your IRA, they now have to withdraw the entire amount within 10 years (whereas previously, they could stretch this over their lifetimes).

What Stayed the Same

- 1 If you're 70½ or older, you can still make a tax-free gift to a qualified charitable institution.** You can transfer any amount up to \$100,000 per year directly to a qualified nonprofit, such as Centre College, without paying income tax on the distribution. The transfer generates neither taxable income nor a tax deduction, so you benefit even if you do not itemize your deductions. Your gift will also be put to use today, allowing you to see the difference you're making.
- 2 Spouses can still take distributions throughout their lifetimes.** When you name your spouse as the beneficiary of your IRA, they can continue to take distributions from the account throughout their lifetime.
- 3 You can still withdraw funds starting at age 59½ with no penalty.** You can still access your retirement savings prior to 59½, but there is a 10% early-withdrawal penalty.

Your Next Steps

If you have questions about the impact the SECURE Act will make on your retirement plans, be sure to make an appointment with your financial advisor. The advisor can review your plans (including your beneficiary designations) and ensure they still accomplish what you want them to do.



LEADING A LIFE IN SERVICE TO OTHERS

Scholarship Enables Students to Pursue Careers in Health Professions

David McNeill, Centre graduate from the Class of 1953, has built his life and career around helping others, particularly young people, make their way in life.

As a doctor, David mended the sick. As a medical professor, he mentored aspiring young doctors to be true healers. As a donor to Centre, he strives to make an impact on the lives of students. David gives of himself and enriches others.

Because he is so intentional about his giving, he gave considerable thought to how to best structure a significant gift in 2015. With certificates of deposit about to mature in the fall of 2015, David knew these were good assets to use for a gift to Centre. After discussions with Centre's planned giving officers, he decided to create a two-part blended gift: one portion of his gift funded an immediate charitable gift annuity, paying him a quarterly income, and the other portion created a named scholarship fund, where the funds could be put to use right away helping students.

The David Lee McNeill, M.D. and Virginia Howard McNeill, R.D. Scholarship fund was created to inspire students to lead lives of service to others. In particular, he wants to encourage and enable students to pursue careers in the health professions, especially medicine and nutrition. The couple was dedicated to improving the lives of others, David as an ophthalmologist and medical school professor, and his late wife, Virginia, as a registered dietitian. Through his gifts of time, financial assets and encouragement, he has made a wide impact on others.

To read the rest of David's story, please visit plannedgiving.centre.edu/meet-our-donors/david-mcneill.



Natalie Hagan (above), Centre College Class of 2020, won the McNeill Scholarship to support her summer research at the Fox Chase Cancer Center in Philadelphia.

An experienced researcher and published author, Natalie interviewed patients and managed samples for DNA analysis. She plans to attend medical school.

THE IMPACT OF A SCHOLARSHIP

Providing the best experience for our students—from world-class professors to sophisticated technology—requires a growing budget. Also growing is the need for financial aid. Grants, loans and part-time jobs are common ways to offset the costs of getting a college degree, and Centre students utilize these resources, but a scholarship is far more helpful.

Scholarships—like the one David McNeill created—help ensure students of all income levels can access a Centre College education. Because they lessen the debt a student carries after college, they also serve as an investment in their future.

Scholarships help cover the cost of tuition, books and general living expenses so students can focus on what really matters—their education. And when you establish a scholarship at Centre through a gift in your estate plan, you also help secure access for future students, as well.

Ways to Fund a Scholarship

There are two easy ways* to fund a scholarship now: with a current gift or an endowed gift.

A current gift is spent within the year the gift is received. It directly and immediately provides students with financial assistance during that school year. You can fund this type of gift in many ways. Most commonly, donors give cash or appreciated stock. You could also designate a future gift in your will or living trust.

An endowed gift keeps giving in perpetuity. Centre takes your lump-sum gift and invests it, using a portion each year to assist students. You can add to this endowment again and again, as well as through your estate plan. Families sometimes create “Family Scholarships.”

**Note: Each option offers unique tax benefits, so make sure you work with a trusted financial advisor to explore the details.*

Change a Life

You can make a lasting impact on Centre students, like Natalie, with a gift that establishes, or contributes to, a scholarship. To get started, contact Steve Lownds '81 at (859) 238-5522 or steven.lownds@centre.edu or Jamey Leahey '92 at (859) 238-238-5224 or leahey@centre.edu today.

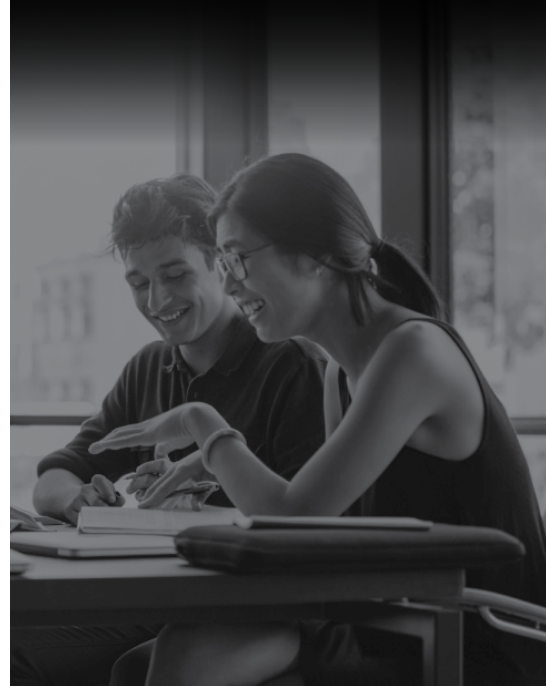
Endowing Your Gift

Want to make sure Centre continues to receive your annual gift every year after your lifetime?

Make a gift to our endowment.

We spend 5% (or 1/20th) of our endowment each year and reinvest the difference to offset inflation. This lets the endowment continue to grow.

To calculate the amount needed to perpetuate your gift, multiply the annual gift amount by 20. That gift amount in our endowment provides the same annual gift in perpetuity. For example, contributing \$50,000 to our endowment can continue a \$2,500 annual gift indefinitely! Ask us about tax-advantageous ways to make this happen for you.





Planning Resources For You

1

VISIT plannedgiving.centre.edu to learn how you can make students' dreams come true.

2

RETURN the enclosed survey to request the complimentary guide *A Tax-Smart Way to Give Through Your IRA.*

3

CONTACT us so we can discuss how a future gift to the College can work for you.

THE PERKS OF GETTING OLDER

Little did we know that growing up and getting older has some tangible benefits. Forget the adult responsibilities of holding a job and paying bills, getting older—especially retirement age—really does have its privileges. From having more time to spend with family and friends, to more opportunities to travel, volunteer and learn new hobbies.

There are also financial perks to getting older. Take a look at some of the biggest benefits.

Social Security and Medicare

While financial resources are limited in retirement, Medicare and Social Security ensures seniors still have a guaranteed minimum income and health insurance if they don't have other means of support. These programs were created to assist those who may not be independently wealthy or have income potential beyond retirement.

Tax Perks

Wherever you make your home in the U.S., tax season may get a little easier as you get older. If you are 59½ years or older, you can now take penalty-free withdrawals from your IRA. If you are 65 years or older, you are entitled to an additional standard deduction on your federal tax return. Visit with a tax advisor to discover what benefits might be in store for you.

Senior Discounts

When income is limited, it's smart to take advantage of the many discounts available to seniors. Whether food and entertainment, travel and transportation, health and education, breaks are offered for just about every service imaginable.

Want to give to Centre without taking a bite out of your budget today? Contact us to learn how to make a gift that will impact future Centre students after your lifetime.



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