

# Masonic Charities

GIFT PLANNING NEWSLETTER



## Caring For Masonic Widows



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The Masonic Villages recently launched a **Widows' Guild** program to recognize and assist all widows of Pennsylvania Masons. The program is being rolled out at limited group events throughout Pennsylvania and within the United States. Widows who attend these events will receive a Masonic Blue Slipper Pin and personalized membership card to the Widows' Guild. On the back side of the membership card is the toll-free telephone number for the Masonic Outreach Program with a list of the many services available to any widow of a Pennsylvania Mason.

Brother Joseph E. Murphy, CEO for the Masonic Villages, said,

**“It is the right thing to do for our spouses who have supported us through all our years in the fraternity. This is our way of honoring them with this special pin and card, and letting them know that we care through the services we can provide to them.”**

The Masonic Blue Slipper Pin, which is universally recognized among Masons, serves to identify the wearer as the widow of a Mason. Its history comes

from the Book of Ruth in the Old Testament. During the time of Boaz, the next of kin were to look after the widow and offspring. In Ruth's case, the next of kin refused to honor this requirement for Ruth, so Boaz agreed to take up the task. When Boaz met with the next of kin to seal the deal, the next of kin took off his shoe and handed it to Boaz as a token for the bargain to take care of Ruth. Boaz held the shoe up for all to see as witnesses of the deal. To this day, the blue slipper symbolizes our duty to care for our widows of the fraternity.

The fraternity owes a true obligation to assist our widows. The Masonic Outreach Program provides financial assistance, attorney/legal support, durable and medical equipment and a variety of educational information and referral services, such as pharmaceutical assistance programs, services for those with low income and services specific to the disabled and senior population. Contact the Masonic Outreach Program toll-free at 800-462-7664.

If you know a widow who would be interested in receiving a Masonic Blue Slipper Pin and becoming a member of the Widows' Guild, please contact the Masonic Outreach Program to find out when the next available event in your area will take place.



# Making Tax-Free Gifts to Charity From Your IRA

Brother Alvin Blitz, Esq., chief gift planning officer

Those age 70 and a half or older, who donate to one of the Masonic Charities or another charity and receive required minimum distributions (RMDs) from an individual retirement account (IRA) should seriously consider making such donations directly from an IRA in order to avoid taxes on the distribution. In many cases, this may be more advantageous than writing a check to the charity. This type of gift is called a **Qualified Charitable Distribution (QCD)**.

A QCD permits annual direct transfers to a qualified charity totaling up to \$100,000 of tax-deferred IRA savings. Funds that have been distributed from the IRA to the IRA owner and are then contributed to charity do NOT qualify as a QCD. They are treated as part of one's Adjusted Gross Income (AGI) and may only be deducted if the taxpayer itemizes deductions.

QCDs offer many taxpayers the following advantages over taking a taxable IRA distribution and then contributing the proceeds of that distribution to a charity:

- Since taxable IRA distributions must be included in AGI, that increase in income from the distribution may affect the amount of tax paid on Social Security benefits.
- For those who don't itemize their taxes, a QCD allows you to avoid tax on the IRA distribution, achieving a similar result as itemizing and then deducting charitable gifts before computing tax due.
- For those whose AGI results in limitations on the amount of deductions allowed, the QCD is not counted as a "deduction" subject to limitation.
- Medicare insurance premiums can increase.

Importantly, QCDs automatically satisfy required minimum distributions (RMDs) for the year they are made. That's a real advantage for a charitable minded IRA owner who doesn't need RMDs to live on. For someone who regularly contributes to charity or wants to make a special one-time gift, a QCD may be the perfect alternative to a cash gift.

## Requirements

Only those age 70 and a half or older may make QCDs. For example, virtuoso violinist and conductor Itzhak Perlman attains age 70 and a half on Feb. 6. A direct transfer from his IRA to the New York Philharmonic before Feb. 6 would not have harmonized with QCD requirements.

The charitable recipient must be an organization which qualifies for a charitable income tax deduction of an individual (all of the Masonic Charities qualify).

The charity which receives the donation must provide the same contribution acknowledgment needed to claim a charitable income tax deduction. Failure to obtain the acknowledgment will quash the QCD. Masonic Charities' acknowledgement process fulfills this requirement.

QCDs may be made from any IRA or individual retirement annuity, but not from a simplified employee pension, a simple retirement account or an inherited IRA.

## Making The Contribution

To make a QCD contribution, contact the Office of Gift Planning at 1-800-599-6454 to speak to a gift planning professional. Most importantly, make sure your QCD is made out to one of the Masonic Charities to qualify. Using that name, instruct your IRA trustee or custodian to make a transfer from the IRA directly to the Masonic Charities – or any other charity of your choice. Many trustees and custodians already have forms and procedures in place to make this transfer. Your gift will NOT qualify as a QCD if the trustee or custodian makes the mistake of putting IRA money in a non-IRA account as an intermediate step. Nor will it qualify if the check is made out to you.

*The above article was provided for informational purposes only and should not be relied upon as legal advice. Please contact your tax advisor before initiating any request for a QCD from your IRA account to determine if you are eligible for a qualifying distribution and if it is in your best interest to make one.*

Visit [MasonicCharitiesPa.org](https://www.MasonicCharitiesPa.org) for information about each of the five Masonic Charities, how to give and testimonials from those who support our charities. Check it out whether you're looking to give now, provide a recurring gift, contribute a legacy gift or seek advice on estate planning.



## Welcome, Heather Mason

Heather Mason has joined Masonic Villages as the director of gift planning, western Pennsylvania region. Heather is responsible for planning, implementing and coordinating programs for the solicitation of gifts to support the Masonic Villages and other Masonic Charities of the Grand Lodge of Pennsylvania.

Most recently employed as the director of development for the Medical and Health Sciences Foundation at the University of Pittsburgh and UPMC, Heather has over 16 years of experience. She is a member of the Association of Fundraising Professionals and the Association for Healthcare Philanthropy. Heather holds a bachelor's degree in consumer affairs from Indiana University of Pennsylvania and resides in Pittsburgh with her husband, Dan, and their son, Matteo.

## The Importance of Planning Now

Brother David Whitenack, CFP®, CAP®, director of gift planning, central Pennsylvania region

Gift planners employed by the Masonic Charities help many Masons, Masonic widows, Masonic Village residents and donors prepare for the time when they may not be willing or able to manage their financial affairs. Many individuals have not even considered the array of issues that may arise in the aging process. Those facing health concerns may regret not addressing important financial affairs sooner.

A possible planning strategy for those without family members or those who do not want to burden loved ones would be to establish a **revocable living trust**. A revocable living trust is a popular estate planning tool and written legal document through which your assets are placed into a trust for your benefit during your lifetime and then transferred to designated beneficiaries at your passing by your chosen "trustee." A

named "trustee" could be a person or an organization. This living trust is "revocable" because it can be changed as a participant's circumstances or wishes change. Opposed to a Will, a revocable trust does not go through probate, which often means a faster and more private distribution of assets.

In addition, a revocable trust is written so a trustee can automatically oversee financial affairs should there be a case of decline in health. These affairs may include: paying bills; filing income tax returns; providing funds to caretakers; generating additional income from investments and assessing those performances; analyzing changes and requests from banks, investment or insurance companies; and the distributing of one's estate. To gather more information on establishing a revocable living trust, contact the Office of Gift Planning.



Guests enjoyed speaker Christopher Ridenhour as he demonstrated the importance of heroism.

## Franklin Legacy Society

On Sept. 22, members of the **Franklin Legacy Society** were treated to a dinner at Masonic Village at Elizabethtown. The society recognizes and honors persons of vision and foresight who have taken the initiative to strengthen and enhance the good works of the Masonic Charities through their estate plans.

If you have provided for one or more of the Masonic Charities in your estate plans, through a bequest, revocable trust, life insurance policy or retirement plan, you qualify for membership. Also eligible are persons who have entered into a planned gift arrangement, such as a life estate, charitable gift annuity, charitable remainder trust or charitable lead trust with one of the Masonic Charities. Members are recognized on a donor wall, listed in the Annual Report, invited to special events and given a distinctive lapel pin and book clock. Please complete and return the enclosed envelope to receive information on membership.

# Beneficiary Designations as Charitable Donations

Joyce Michelfelder, CAP<sup>®</sup>, director of gift planning, eastern Pennsylvania region



**You can name a Masonic Charity as the beneficiary of your retirement plan, commercial annuity or life insurance policy. It's an easy way to help secure the future of the Masonic Charities.**

Gifts from these types of assets do not have to go through probate, indicating an efficient and more private transaction.

Many types of retirement plans require your beneficiaries to take the money immediately and pay income taxes on the full amount or take the taxable required minimum distributions each year.

Taxes can be avoided by designating a charity as your heir. There is no tax on the transfer, and the charity can use the full amount immediately.

Plus, when naming a beneficiary, keep in mind that underage children often cannot inherit assets from a retirement plan, annuity or life insurance policy.

Please inform your local gift planner if you have chosen to make a beneficiary designation so he or she can thank you for your thoughtfulness and provide you with the appropriate name and tax ID of the Masonic Charity you wish to support.

## Available Materials on Estate Planning

Over the years, the Office of Gift Planning has conducted seminars on various estate planning topics. Some of the articles and presentation materials from these seminars are available by request for your personal reading. You may find them helpful in preparing or reviewing your finances, taxes and estate plan.

Please be aware, these articles should only be used for informational purposes. You should consult a professional for advice on personal circumstances before undertaking any estate or tax planning.

You may also contact the Office of Gift Planning at toll-free 1-800-599-6454 to speak to a gift planning professional concerning any of the materials listed here, or to receive more information on topics not listed.

The following articles and presentations are available for distribution via email or hard copy. Return the enclosed reply envelope indicating the material (1-7) and preferred method of delivery.

1. **Presentation: Why You Should Consider a Living Trust**
2. **Presentation: Taxation on the Disposition of Accumulated Assets**
3. **Presentation: The Good, the Bad and the Ugly of IRAs**
4. **Article: Four-Part Estate Planning Series (Living Will/Will/ Trust/POA)**
5. **Article: The Advantages and Disadvantages of Living Trusts**
6. **Presentation: Using a Charitable Trust for Disposition of Your IRA**
7. **Presentation: Consumer Fraud**