

Planned Giving at Maryland

What to give

Donating **cash** is the easiest way to make a gift, but it is not always the best option to take full advantage of the tax savings and other benefits of planned gifts.

Some people choose to make gifts of appreciated securities, such as **stocks and mutual funds**. If the assets have grown in value and you have owned them for more than one year, you can receive an income tax deduction for the full current market value and avoid the capital gains tax that would be owed if you sold the asset.

Testamentary gifts of **IRAs and retirement plan assets** remove the funds from your estate and come to the university at their full value. Leaving these funds to an individual or your estate results in your savings being significantly reduced by income taxes. Completing a beneficiary designation form is an easy way to make a gift of retirement funds.

You can make a gift of **real estate** by donating your home or vacation property outright, donating the property outright and receiving lifetime income in return, or donating the property while retaining the right to live there. The benefits include avoidance or reduction of the capital gains tax and an income tax charitable deduction.

Gifts of **artwork, antiques and other property** may be kept or sold by the university to further our mission and/or may be sold to provide you with income for life. The value of the gift and the tax deduction can vary depending on whether the property has a "related use" under IRS guidelines.

You can donate **life insurance** by naming Maryland as the full or partial beneficiary of a new or existing policy. If you name the university as the owner of a permanent life insurance policy, the cash value and/or the annual premiums are tax-deductible.

Ways to give

BEQUESTS

For many reasons, bequests are the most popular way of making a planned gift to charity. They are easy to make, affordable and have several advantages.

- Donors control assets during their life, and have the flexibility to alter or revoke the gift if circumstances change;
- Bequests can be made contingent on remaining estate funds after specific bequests are made to family members, so that the family comes first in disposal of estate assets; and
- Bequests can reduce or eliminate estate taxes.

Many execute bequests by naming the University of Maryland College Park Foundation as a beneficiary of a will, living trust, retirement plan or insurance policy.

LIFE INCOME GIFTS

Several types of gifts provide lifetime income to donors and their families along with an income tax deduction:

Charitable gift annuities provide fixed income to one or two individuals for life. With the University of Maryland College Park Foundation, donors may directly establish charitable gift annuities in any amount \$25,000 or greater, using cash or liquid assets. Gift annuities produce either immediate income, or deferred income that starts on a specific future date.

Charitable remainder trusts provide income while simultaneously planning a legacy gift to one or more charities. Trusts can be customized to a donor's exact financial goals, circumstances and philanthropic objectives, providing specific income through donation of most types of assets, including real estate, commercial property, privately held stock or other illiquid

assets. Because the services of an attorney are required, the practical minimum value of assets to establish a charitable remainder trust is \$100,000.

The **pooled income fund** is invested with the gifts of other donors, and the income earned each year is shared among the participants. The payout rate is variable for life, and the contribution earns a charitable deduction. The minimum gift to the pooled income fund is \$10,000.

OTHER FUNDING APPROACHES

Charitable lead trusts are often characterized as the reverse of a charitable remainder trust, in that income goes to the university for a specific period of time and the trust principal reverts to either the donor or the donor's heirs tax-free. Lead trusts are a powerful way for individuals to transfer a large estate to heirs tax-free, or to execute large charitable gifts with assets that are not needed by the donor or their family until the future.

With a gift of **remainder interest with a retained life estate**, you can donate your home, vacation property or farm and continue to use the property for the rest of your life. You receive an immediate income tax deduction for a portion of the appraised value of your property. Since the property is removed from your estate, this gift can also reduce estate taxes.

THE FOUNDERS SOCIETY

The Founders Society honors all benefactors, living and deceased, whose gifts through will, trust or other planned gifts help to ensure the future excellence and impact of the University of Maryland and its students.

Through planned giving you can:

- Make gifts larger than an immediate outright contribution.
- Retain control and use of the assets you plan to donate later.
- Receive lifetime income for yourself and your loved ones.
- Reduce income taxes and reduce or eliminate estate taxes.

Learn more about the ways that planned giving enables you to leave your legacy at the University of Maryland.

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