Financial and Tax Benefits of Planned Gifts – Life Income Plans

	How Gift Works	Financial and Tax Benefits
Charitable Gift Annuity (CGA)	 Gift annuities pay an immediate, fixed amount to one or two persons for life, with the payout percentage based on the recipient's age at the time the annuity is established. Funded with cash or appreciated securities (minimum gift of \$5,000 or more) by persons 60 years of age or older. WU receives remaining principal when the donor's payments end. 	 Fixed lifetime payments to donor and/or donor's designee. Donor receives a current income tax deduction for a portion of the gift. If appreciated securities are used to fund the CGA, a portion of the payment may be tax-free. If the annuity is funded with cash, an even greater percentage of the payment is tax-free. If appreciated securities are used to fund the CGA, immediate capital gain tax can be avoided.
Deferred Payment Charitable Gift Annuity (DPCGA)	 The deferred annuity is often used as a supplement to retirement plans and offers a fixed payment beginning at some point in the future, often when earned income is lower or supplemental income is needed. This gift is often used by donors who are actively employed and by those younger than 60. Deferred payment gift annuities offer a higher payout rate as compared to the standard charitable gift annuity, and can be funded with cash or appreciated securities (minimum gift \$5,000 or more.) WU receives remaining principal when the donor's payments 	 Fixed lifetime payments to donor and/or designee beginning at a future date determined by donor at the time gift is made. Donor receives an immediate charitable deduction. As with the standard charitable gift annuity described above, some of the payment from the deferred gift annuity may be tax-free. If appreciated securities are used to fund the DPCGA, immediate capital gain tax can be avoided.
Charitable Remainder Unitrust	 end. Donor funds unitrust with cash, appreciated securities or debt-free real estate (\$50,000 minimum). Additional contributions may be made to the unitrust at any time. The unitrust makes payments to donor based on a percentage (5% or 6%) of the annual value of the unitrust principal. Annual payments may vary from year to year. The unitrust may make payments to the donor for his/her lifetime and the lifetimes of other individuals. WU receives remaining principal when the donor's payments end. 	 Lifetime payments to donor and/or designee(s) based on a percentage (5% or 6%) of the annual value of the unitrust principal. Payments may vary from year to year. Donor receives an immediate income tax deduction for a portion of the gift. Estate tax benefits occur at the end of the trust period. If unitrust is funded with appreciated assets or real estate, capital gain tax is avoided.

Financial and Tax Benefits of Planned Gifts – Life Income Plans

Charitable Annuity Trust	 Charitable annuity trusts provide fixed lifetime payments to donors based on a percentage (5% or 6%) of the initial value of the gift. 	 Fixed lifetime payments to donor and/or designee(s). Donor receives an immediate income tax deduction for a portion of the gift. Tax-free principal growth.
	 Donor funds the annuity trust with cash, appreciated securities or debt-free real estate (\$50,000 minimum). 	 Estate tax benefits occur at the end of the trust period. If annuity trust is funded with appreciated securities or real estate, capital gain tax is avoided.
	The annuity trust may make payments to the donor for his/her lifetime and the lifetimes of other individuals.	
	WU receives remaining principal when the donor's payments end.	

Please consult with your legal or tax advisor before making a charitable gift.

Financial and Tax Benefits of Planned Gifts – Gifts through Your Estate

	How Gift Works	Financial and Tax Benefits
Charitable Bequests	 Donor designates WU to receive a specific amount or a percentage of your estate through donor's will or revocable living trust. 	 Donor's estate is entitled to an estate tax charitable deduction for the value of the gift. Capital gain taxes are avoided on the gift to WU.
Beneficiary Designations	 Donor names WU as beneficiary on their retirement plan, life insurance policy, commercial annuity, bank accounts or other financial investments. Donor retains the right to change the beneficiary on the accounts as long as he owns them. After Donor's passing, the funds for the designated accounts will pass outside of probate and transfer directly to WU. 	

Charitable Lead Trust	 Donor designates specific assets which are held in trust and generate regular payments to the university for a time period specified by donor. 	 Usually no income tax deduction. May reduce transfer tax. May reduce taxable estate by eliminating assets from the estate.
	After the time period has elapsed, donor or donor's heirs receive the trust principal.	
	 Charitable lead trusts may be established during donor's lifetime or through his/her estate. 	

Please consult with your legal or tax advisor before making a charitable gift.

Financial and Tax Benefits of Planned Gifts

Tax Benefits
 Generally, federal tax law allows you to deduct the full value of a cash gift up to 50% of your adjusted gross income (AGI) in one year. Deduction limited to 50% of your AGI with five year carryover for excess deductions.
 Deduction for the gift's full fair market value. Deduction limited to 30% of your AGI with five year carryover for excess deductions.* No reportable capital gain because WU sells the securities tax free.
 Deduction for fair market value of the property as determined by a qualified appraisal. Deduction limited to 30% of your AGI with a five year carryover for excess deductions. No reportable capital gain because WU sells the real estate tax-free.
 Deduction for excess of the fair market value of the property over the sale price as determined by a qualified appraisal. Deduction limited to 30% of your adjusted gross income (AGI) with a five year carryover for excess deductions.* Reportable gain on the sale portion.
A portion of your gift will qualify for a charitable income tax deduction.
 Deduction limited to 30% of your AGI with a five year carryover for excess deductions.*
No reportable gain because the trust sells the property tax free.
 A portion of your gift will qualify for a charitable income tax deduction. Deduction limited to 30% of your AGI with a five year carryover for excess deductions.* No reportable gain because WU will sell the property after your life estate ends.

Please consult with your legal or tax advisor before making a charitable gift.

^{*}Deduction limit is based on appreciated real estate that has been held long term, for at least one year and one day. The deduction for real estate that has been held short term is limited to the property's cost basis and can be claimed up to 50% of your adjusted gross income (AGI). However, there is no tax on the appreciation.