

CRCDS

Faith. Critically engaged.

GUIDE TO GIFT PLANNING

There are many ways to make a charitable gift to Colgate Rochester Crozer Divinity School (CRCDS). This guide describes the most common vehicles for charitable giving and their respective benefits to you, the donor, and to the seminary. Please note that while the laws of the United States encourage charitable giving by offering many different tax benefits, the structuring of a gift can affect significantly the overall benefits to both you and the seminary.

CASH OR SECURITIES

Description: Current or pledged gifts in the form of cash, marketable securities, or real or personal property.

Benefits to the donor: Immediate charitable income tax deduction.

Note: Negotiable stocks that have appreciated in value are an especially attractive form of gift, because the donor saves the capital gains tax on the appreciation and also receives a deduction for the current value of the stock.

BEQUESTS

Description: Gifts may be made by will, either outright upon the death of the donor or in the form of testamentary trusts that make CRCDS an eventual remainder beneficiary subsequent to the death of other prior beneficiaries.

Benefits to the donor: Tax benefits for the estate of the deceased; gift lives on beyond the life of the donor.

Note: Percentage of estate gifts are encouraged over fixed dollar amounts given the uncertainty of estate size at the time of the donor's death.

ESTATE NOTE

Description: An irrevocable pledge to CRCDS against a donor's estate. The estate note binds the donor's estate to the extent that a pledge made during life has not been fully paid during the donor's lifetime. The pledge may be for either one or two lives. With a two-life Estate Note, the obligation is binding only on the estate of the person who lives longer.

Benefits to the donor: Immediate charitable income tax deduction for any payments on the pledge made during life of donor(s). Tax benefits for the estate of the deceased; gift lives on beyond the life of the donor(s).

CHARITABLE GIFT ANNUITY

Description: An irrevocable transfer of cash, marketable securities, or property in return for an agreement to pay the donor(s) a fixed income for life. The remainder of the annuity is paid to the school upon the death(s) of the donor(s).

Benefits to the donor: A charitable income tax deduction in the year of the gift with a five-year carry-over period, if needed; ability to spread any capital gains tax due over the life expectancy of the donor(s); and partially tax sheltered income from the annuity.

Estimates of Single-life Charitable Gift Annuity Growth*

AGE OF DONOR	VALUE OF ASSET	ANNUAL INCOME TO DONOR	TAX FREE PORTION	CHARITABLE DEDUCTION
60	\$50,000	\$2,350 (4.7%)	\$1,473	\$14,518
65	\$50,000	\$2,550 (5.1%)	\$1,678	\$16,625
70	\$50,000	\$2,880 (5.6%)	\$1,940	\$19,130
75	\$50,000	\$3,100 (6.2%)	\$2,244	\$22,159
80	\$50,000	\$3,650 (7.3%)	\$2,752	\$24,134
85	\$50,000	\$4,150 (8.3%)	\$3,308	\$27,505
90	\$50,000	\$4,750 (9.5%)	\$3,909	\$30,839

*These are only estimates based on single-life annuities using rates as of 6/1/2019.

Estimates of Two-life Charitable Gift Annuity Growth*

AGE OF DONOR	VALUE OF ASSET	ANNUAL INCOME TO DONOR	TAX FREE PORTION	CHARITABLE DEDUCTION
60-60	\$50,000	\$2,050 (4.1%)	\$1,259	\$12,721
65-65	\$50,000	\$2,250 (4.5%)	\$1,458	\$13,708
70-70	\$50,000	\$2,500 (5%)	\$1,700	\$15,160
75-75	\$50,000	\$2,750 (5.5%)	\$1,958	\$17,904
80-80	\$50,000	\$3,100 (6.2%)	\$2,310	\$20,669
85-85	\$50,000	\$3,650 (7.3%)	\$2,851	\$22,925
90-90	\$50,000	\$4,550 (9.1%)	\$3,663	\$24,360

*These are only estimates based on two-life annuities using rates as of 6/1/2019.

CHARITABLE REMAINDER TRUST

Description: An irrevocable transfer of cash, marketable securities, or property to a trustee who pays the donor, and any specified survivors, income for life or a fixed number of years not to exceed twenty. Income may be either a fixed dollar amount or a percentage of the annually determined value of the trust. The remainder of the trust is paid to the school upon the death of the donor or any other named beneficiaries of the trust.

Benefits to the donor: A charitable income tax deduction in the year of the gift with a five year carry over period, if needed; total saving of all capital gains taxes on any appreciation in the assets used to fund the trust.

CHARITABLE LEAD TRUST

Description: An irrevocable transfer of cash, marketable securities, or property into a trust from which CRCDS receives the income for a period of up to ten years. At the end of that period, the donor receives the corpus freed from all capital gains.

Benefits to the donor: Immediate charitable income tax deduction; elimination of capital gains taxes on the appreciation of securities or property in the trust.

POOLED INCOME FUND

Description: An irrevocable transfer of cash, marketable securities, or property to a trustee who pays the donor income for life. Income is based on the performance of the trust fund for each taxable year. The remainder of the donor's share of the fund is paid to the divinity school upon the death of the donor.

Benefits to the donor: A charitable income tax deduction in the year of the gift with a five year carry over period, if needed; total saving of all capital gains taxes on any appreciation in the assets used to fund the gift; opportunity to benefit from future increases in market rates.

CHARITABLE LIFE ESTATE AGREEMENTS

Description: An irrevocable gift of a personal residence or farm that enables the donor to retain the use of the home or farm for life.

Benefits to the donor: Immediate charitable income tax deduction based on tables used to determine the school's remainder charitable interest in the property.

LIFE INSURANCE

Description: The divinity school is named as sole beneficiary and owner of a policy on the life of the donor or another person. The donor may give a paid up policy or make payments on a new or existing policy for a period recommended not to exceed five years, at which time premiums should be paid in full.

Benefits to the donor: Charitable income tax deduction for either the interpolated terminal value of a paid-up policy or any premiums paid toward a new policy or partially paid-up policy; satisfaction of making a much larger gift than might otherwise have been possible.

Note: Joint survivor or second-to-die policies on two lives offer premiums significantly lower than individual policies on one life.

RETIREMENT SAVINGS

There are many advantageous ways to use qualified retirement plans to fund charitable gifts. Persons wishing to use such savings should consult their financial planner or tax consultant to determine whether this option would be beneficial to them.

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law, as well as IRS discount rates that change monthly. State law may affect the results illustrated. You should seek the advice of an attorney and/or tax advisor for applicability to your own situation.