Securing the Future: Ways to Make a Gift Now

Penn State's Office of Gift Planning can help you design a gift that will help you achieve your financial and philanthropic goals.
Assets You Can Give

Cash
Maximize your charitable deduction and deliver immediate benefits to Penn State.

Appreciated Securities
Receive one of the IRS's most significant tax breaks for gifts of appreciated securities.

Personal Property
Donate books, artwork, or equipment and secure an income tax deduction.

Real Estate
Make a substantial gift through a transfer of residential, commercial, or undeveloped real estate.

Lifetime Gifts of Insurance
Transfer to Penn State a policy whose coverage you no longer need.

Business Interests
Give Penn State an interest in a closely held or family business.

Partnership Interests
Support Penn State by transferring an interest in real estate or an oil-and-gas partnership.

Retirement Plans
Donate the balance of your retirement plan, which may be worth more to Penn State than to your heirs.

Strategic Ways to Make Your Gift

Life Income Gifts
Life income gifts allow you or others to derive income and tax benefits from your asset, even after you commit your gift to Penn State. There are several gift plans, each of which offers special advantages. All of them, however, share several benefits:

- They pay income to you or others you designate.
- You receive an immediate income tax deduction, as well as potential deductions or eliminations of gift, estate, and capital gains taxes.
- You avoid or reduce capital gains tax if appreciated property is used to make a gift.
- You can designate how the remainder of the gift will be used.

You can create any of these gift plans during your life, or you can establish them in your will. Professionals in Penn State's Office of Gift Planning can work with you to determine which life income gift option works best for you.

Charitable Remainder Trust
( Gifts of $100,000 and above)
A charitable remainder trust, which can be created in your lifetime or through your estate, provides you or those you select with annual income. The trust can be established for one or two lifetimes or for a term of up to twenty years. Generally, the older and fewer the beneficiaries or the shorter the trust term, the greater your tax benefits.

Donors can choose a charitable remainder annuity trust to receive a fixed annual income or a standard charitable remainder unitrust to receive market-sensitive income that varies annually based on the value of the assets in the trust. Several varieties of trusts exist, and the Office of Gift Planning can help you find an option that works best for you.

Charitable Gift Annuity
( Gifts of $10,000 and above)
A charitable gift annuity is among the easiest and most popular methods of making a planned gift. You make a gift to Penn State, and Penn State in turn promises to pay you an income for the remainder of your life at a fixed annual rate that is established at the time of your gift. After your death, Penn State receives the remainder of the annuity.
A variation of the charitable gift annuity, the deferred charitable gift annuity, requires that income payments be deferred for at least one year and do not begin until you are at least sixty years of age. The deferred charitable gift annuity allows you to supplement your future income on a tax-deferred basis. The minimum gift amount is $5,000.

**Wealth Transfer Strategy**

Discover an innovative way to pass appreciating assets on to family members and make gifts to Penn State in the interim. The charitable lead trust generates income for Penn State now, while reducing your tax costs for transferring assets to your heirs. Consult the Office of Gift Planning to learn more.

**Estate and Other Gift Plans**

**Bequests**

Your will or living trust is the most personal of documents. In many ways, it is a statement of what matters most to you in life. After providing for family and friends, many alumni and friends choose to make a bequest to Penn State.

Whether it is your first gift to the University or the culmination of a lifetime of support, a bequest allows you to make a gift to Penn State, receive an estate tax deduction for the amount of the gift, and leave a lasting legacy in the area of the University that is most important to you.

**Bequest Language**

If you wish to include Penn State in your will or living trust, the following language may be useful to you and your attorney:

I give to The Pennsylvania State University, c/o Office of Gift Planning, University Park, Pennsylvania, [the sum of $__________] OR [___________ percent of the remainder of my estate] to be used by the University [for its general purposes] OR [for a specific college, campus, or unit of your choice] OR [according to a Statement of Donor Intent previously agreed to by the University and me].

**Statement of Donor Intent**

We strongly believe that donors’ gifts should support the areas of the University that are meaningful to them. We accomplish this by drafting with the donor a Statement of Donor Intent that specifies the intended use of the gift when it is received by the University.

We offer this confidential service at no cost or obligation, and, if your interests should change, you can modify the Statement of Donor Intent throughout your lifetime without redrafting your will or preparing a codicil.

**Retained Life Estate**

Receive a large deduction by donating a residence while retaining the right to live there for life.

**Testamentary Life Income Gift**

A gift from your estate can benefit both your family and Penn State.

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Recognition

Membership is offered to all individuals who have made an estate provision for the University, or a planned or deferred gift commitment, regardless of the amount.

These gift commitments include:

—A bequest in a will or living trust
—Designating Penn State the beneficiary of a retirement plan
—A charitable remainder trust
—A charitable gift annuity
—A gift of a life insurance policy
—A remainder interest gift of a home or farm
## Gift Planning: Securing the Future Together

There are many ways to make a gift to Penn State.

<table>
<thead>
<tr>
<th>IF YOUR GOAL IS TO:</th>
<th>THEN YOU CAN:</th>
<th>AND YOUR BENEFITS WILL BE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make a quick and easy gift</td>
<td>Simply write a check now</td>
<td>An income tax deduction and an immediate impact on Penn State</td>
</tr>
<tr>
<td>Secure a fixed income while avoiding market risks</td>
<td>Establish a charitable gift annuity</td>
<td>Tax benefits and often a higher rate of return than from existing assets</td>
</tr>
<tr>
<td>Defer a gift until after your lifetime</td>
<td>Put a bequest in your will (cash, specific property, or a share of the residue)</td>
<td>An estate tax deduction and the ability to keep assets in your name during your lifetime</td>
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<tr>
<td>Maximize your heirs’ inheritance while benefiting Penn State</td>
<td>Name Penn State as the beneficiary of your retirement plan; leave other assets to family</td>
<td>Reduced estate and income tax for your heirs</td>
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<tr>
<td>Avoid tax on capital gains</td>
<td>Give appreciated stock or certain bonds held over one year to Penn State</td>
<td>An income tax deduction and avoidance of capital gains tax</td>
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<tr>
<td>Share your enjoyment of a collection or other personal item</td>
<td>Donate tangible personal property related to Penn State’s mission</td>
<td>A charitable deduction based on the full market value of the item(s)</td>
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<td>Make a large gift with little cost</td>
<td>Give a life insurance policy you no longer need to Penn State</td>
<td>Current and possible future income tax deductions</td>
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<td>Avoid capital gains tax on the sale of a home or other real estate</td>
<td>Give all or a percentage of the property to Penn State</td>
<td>An income tax deduction, plus the elimination of capital gains tax</td>
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<tr>
<td>Create a charitable gift while continuing to enjoy your home</td>
<td>Give all or a percentage of your personal residence or farm to Penn State while retaining life use</td>
<td>A charitable deduction and a reduction in the appraised value of your estate</td>
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<td>Create a hedge against inflation over the long term</td>
<td>Establish a charitable remainder unitrust</td>
<td>A variable income stream for life and tax benefits</td>
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<tr>
<td>Reduce gift and estate taxes on assets you pass to your children and grandchildren</td>
<td>Create a charitable lead trust that pays income to Penn State for a specific term of years</td>
<td>A gift or estate tax deduction and protection of assets and appreciation for later use by your family</td>
</tr>
<tr>
<td>Make a revocable gift during your lifetime</td>
<td>Name Penn State as beneficiary of assets in a living trust</td>
<td>Full control of the trust and its assets for your lifetime</td>
</tr>
</tbody>
</table>

If one of these strategies seems right for you, we invite you to contact us to learn more.

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