

ART OF GIFT PLANNING

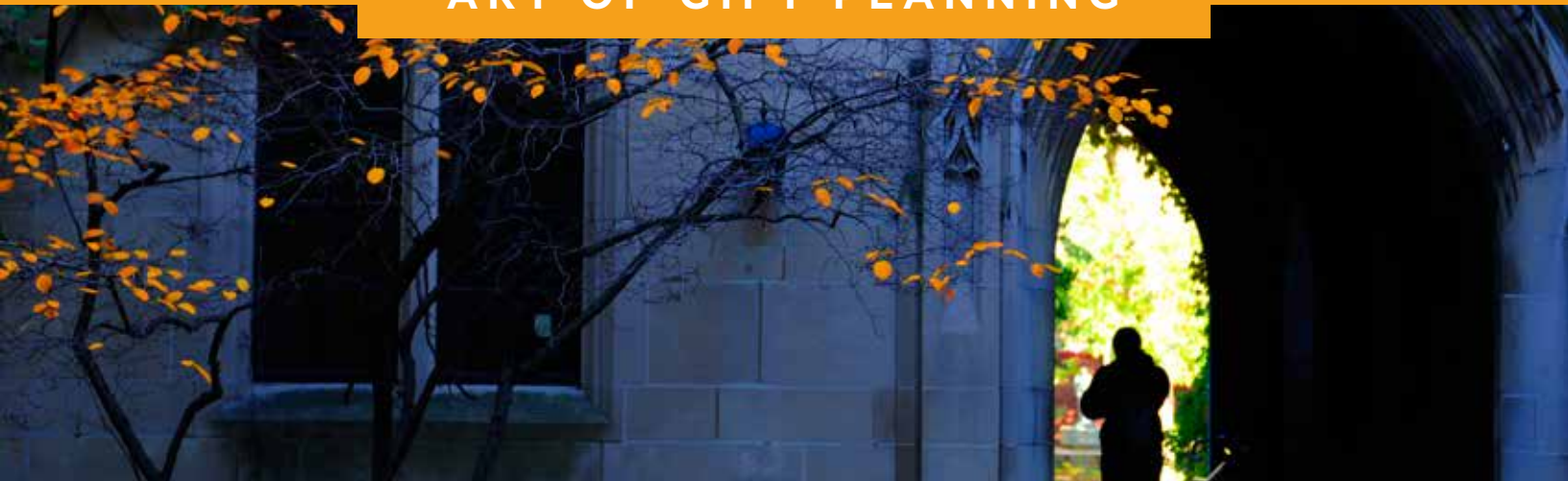


PHOTO BY DAN DRY

KNOWING WHAT, HOW, AND WHEN TO GIVE

“I wish I could do more.” These words accompany so many of the gifts the University receives. The truth is that there are dozens of ways for alumni and friends to “do more” for our future—if gifts are carefully planned. Gift planning is an art that combines financial planning, estate planning, and tax planning techniques to enable donors to make gifts of surprising significance, often with dramatic tax and financial rewards.

The need for careful planning becomes clear when people consider the basic questions involved in making an important gift: What should I give, how should I give, when should I give, and are there special purposes my gift should accomplish?

PLANNING WHAT TO GIVE

Surprisingly, there are different tax benefits from giving different types of property. Consider, for example, highly appreciated securities. If stocks have been owned more than one year, then donors can deduct not just their original cost but also any unrealized gain present in the gift. Best of all, no capital gains taxes are due when you give securities. Real estate, mutual funds, and other types of property offer the same advantages. At death, it makes sense to leave “tax-burdened” assets, such as US savings bonds and death benefits from retirement accounts, to charities, which allows heirs to avoid income and death taxes.

PLANNING HOW TO GIVE

You might want to join our many alumni and friends who have helped through bequests—gifts through their wills or living trusts. You also could choose to make a gift that reserves lifetime income for you or a family member. The University would benefit in the same manner as if you had made a bequest, but you would be entitled to charitable deductions and other tax benefits today.

Or you may prefer the simplicity of an immediate gift of cash or property. By tailoring the form of your gift to fit your personal situation, you can gain maximum tax rewards, maintain financial security, and make a truly meaningful contribution.

PLANNING WHEN TO GIVE

Many people plan gifts at the year’s end to provide important tax deductions. Or they may find charitable contributions most helpful in years when they have a large influx of taxable income from a bonus, sale of a business or successful investment, or inheritance of taxable assets such as savings bonds or IRAs. As noted above, large deductions are available even if you retain lifetime income from your gift. The most practical time to make significant gifts may be through your estate plan, by means of a will, living trust, or beneficiary designation on a life insurance policy or retirement account. Such gifts are wholly revocable while you are alive and may save significant taxes for your estate.

THE OFFICE OF GIFT PLANNING

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THE UNIVERSITY OF
CHICAGO

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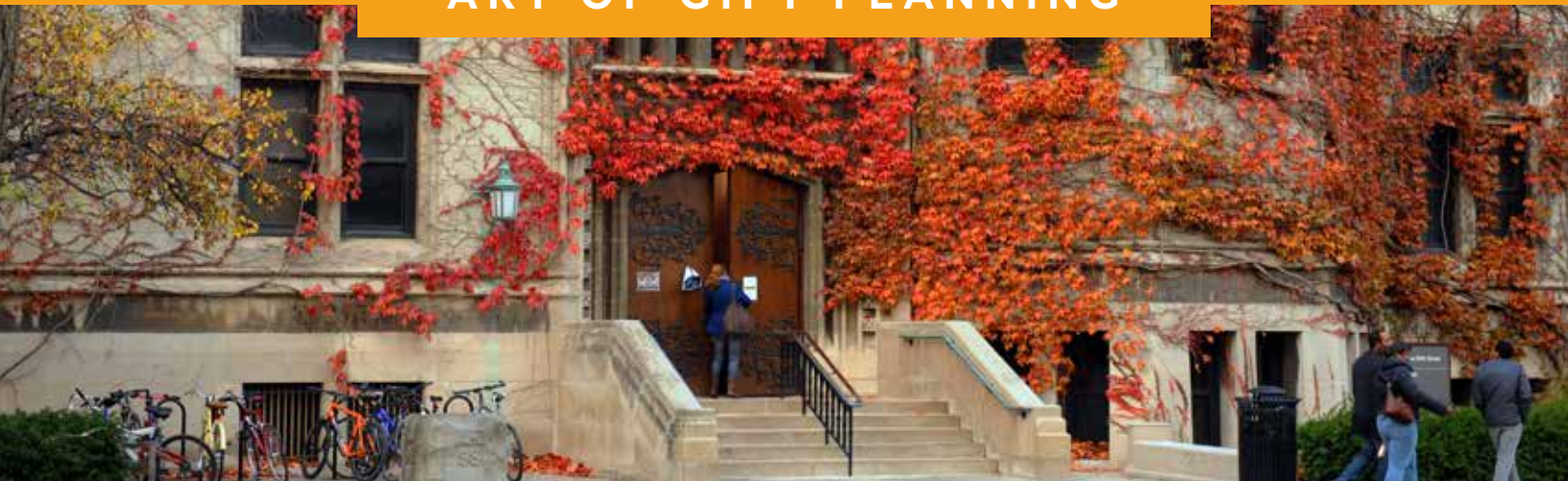


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PLANNING THE PURPOSES OF YOUR GIFT

Your support should be carefully planned to assure your personal satisfaction. Your gift can be established as a memorial to a loved one or special friend. You may want to designate your gift for a particular program or purpose, endow a fund in perpetuity, or simply say that your gift may be applied wherever the need is greatest.

We invite you to explore with us the many sides of your own planned giving and the meaning your personal philanthropy can have for both you and the University's future.

TIMING CAN BE EVERYTHING

The following occasions present an opportune time to consider gift planning:

- Selling investments at a profit.
- Making or amending your will or establishing a living trust.
- Selling your business.
- Rolling over low-interest CDs or bonds at maturity.
- Naming beneficiaries for pension plans or life insurance.

THE PHOENIX SOCIETY—SHOWING OUR GRATITUDE

The Phoenix Society recognizes donors who support the University through an estate commitment or life-income arrangement. Members of the Phoenix Society receive a special memento and are invited to exclusive University events, both on campus and in various cities around the country. We are also proud to recognize our members in an annual Honor Roll of contributors (unless anonymity is requested).

FOR MORE INFORMATION

For more information about bequests and life-income arrangements benefiting the University of Chicago, visit giftplanning.uchicago.edu, or contact the Office of Gift Planning at 866.241.9802 or giftplan@uchicago.edu.

These materials are intended to provide general information that we hope will be helpful to you in your tax, estate, and charitable planning. It is not intended as legal advice and should not be relied upon as legal advice. Figures, calculations, and tax information are based on federal tax laws, regulations, rulings, and rates applicable at the time such information was prepared and are for illustration purposes only. Individual state laws may have an impact on the availability of gift annuities. For advice or assistance with your particular situation, you should consult an attorney or other professional adviser.