

YOUR LEGACY, YOUR IMPACT

A Guide to Gift Planning



UNIVERSITY OF
R Redlands



CORTNER SOCIETY

The George P. Cortner Heritage Society honors more than 700 individuals whose forethought and love for the University of Redlands are evidenced by commitments through their wills and other legacy arrangements.

In addition to bequests, donors are welcomed into the Cortner Society for naming the University as a beneficiary in one or more of the following areas, many of which are outlined in this booklet:

- a charitable gift annuity
- a charitable remainder trust
- a pooled income fund
- a qualified retirement plan (such as a 401(k), 403(b), or IRA)
- a life insurance policy, bank account, or commercial annuity

Donors who transfer real property to the University, subject to a life estate, or name Redlands as an income beneficiary of a charitable lead trust are also included within the Cortner Society.

To commemorate the impact of such legacy gifts, Cortner Society members are formally recognized on a plaque mounted in the foyer of the Casa Loma Room on the Redlands campus and are listed annually in the *Och Tamale* magazine. Most importantly, they enjoy the satisfaction that comes with knowing that their generosity will help inspire the minds and shape the hearts of Redlands students for all time.

PLANNED GIFT OPTIONS—WHAT ARE YOUR GOALS?

Through gift planning, you can consider the impact you wish to make on the University of Redlands in the context of your overall long-term and legacy goals. For example, you may be able to achieve retirement goals or an inheritance for your heirs while also providing support for U of R students and programs. In addition, there also may be an opportunity for you to endow a fund or name a space in recognition of your gift.

	Your Goals	Giving Method	Your Benefits
Future Impact	Make a future impact on U of R while keeping assets during lifetime	Bequest (p. 4)	<ul style="list-style-type: none"> Future support for U of R students and programs Ownership of and access to your funds during lifetime
	Make a major gift that costs nothing today	Beneficiary Designations (p. 5)	<ul style="list-style-type: none"> Future support for U of R students and programs Ownership of and access to your funds during lifetime Ease of method
Life Income	Receive a stable income stream in retirement while making a future gift to U of R	Charitable Gift Annuity (p. 6)	<ul style="list-style-type: none"> Guaranteed life income for you and/or your loved ones (up to two individuals total) Fixed payout rates unaffected by market fluctuations Security backed by the University's unrestricted assets Immediate tax deduction and additional savings Legacy impact on U of R students and programs
	Get income from an asset; avoid capital gains tax on property that has risen in value; provide for yourself and/or loved ones; make a future gift to U of R	Charitable Remainder Trust (p. 7)	<ul style="list-style-type: none"> Value preservation of highly appreciated asset; capital gains tax minimized Income stream for you and/or your heirs for life, term of years, or combination of both Investment oversight by the same experts who manage endowments for universities across the country Immediate tax deduction Legacy impact on U of R students and programs
Immediate Impact	Make an impact on U of R today through your IRA	Charitable IRA Rollover (or Qualified Charitable Distribution) (p. 8)	<ul style="list-style-type: none"> Satisfaction of all or part of your required minimum distribution (RMD) from IRA Potential savings on taxes and Social Security premiums because distribution does not count toward adjusted gross income Immediate impact on U of R
	Make a gift that costs less than cash and bypass capital gains	Gift of Appreciated Stock (p. 9)	<ul style="list-style-type: none"> Impact on U of R based on current fair market value (FMV) of stocks rather than what you paid for shares Tax deduction based on FMV instead of the stocks' cost to you
	Make a significant impact with property instead of cash and bypass capital gains	Real Estate Gift (back cover)	<ul style="list-style-type: none"> Impact on U of R based on current fair market value (FMV) of property rather than what you paid for it Tax deduction based on FMV instead of the property's cost to you



BEQUEST

Denny Moses '70, '04 and Sheila Rowe Moses '70 began thinking about how they could ensure the opportunity of a Redlands education for future generations. "When we seriously started talking about including the University in our estate plans, it was pretty much a slam dunk." The couple has included a bequest that will establish an endowed scholarship for first-generation students studying communication sciences and disorders. "We are very grateful to Redlands, as it provided us both with a strong foundation for our careers," says Denny. "We're happy to give back."

The University's Development Office is happy to provide sample language that you may tailor for your will or living trust to leave a bequest to U of R, which can benefit a program that is meaningful to you.

BENEFICIARY DESIGNATIONS

Ann Halligan '76 credits her Redlands education as key to her success in government contracting. She has included the University as a beneficiary of her retirement account, including provisions for the Salzburg Semester and general operating expenses. "Supporting the general fund is always critical, and, because of Salzburg, I am richer in the way in which I look at the world," says Ann. "I wanted to recognize the University for the tremendous experiences and education I received, which provided a solid foundation for my professional career."

Among the easiest ways to make a gift, beneficiary designations to the University can be made by completing a form with the financial institution that manages the account you wish to gift. This form may be available online. This option applies to retirement accounts, life insurance policies, and various other financial accounts.



CHARITABLE GIFT ANNUITY

When Larry Harvill and Evelyn Ifft established a charitable gift annuity, they were certain about what they wanted it to support. “The student research program is something we both believe in,” reflects Evelyn. When Evelyn’s first husband, Jim, died suddenly from a heart attack at age 46, colleagues, former students, and friends created the Ifft Endowed Research Fund in memory of the late professor. “It is a way to honor Jim’s memory and legacy, and that is important to me.”

Charitable gift annuities pay guaranteed life income to you and/or your loved ones (maximum of two individuals) at fixed rates based on your age(s). To secure a higher payout, you may defer income to a later date (e.g., to plan for retirement or long-term care). In addition to the charitable deduction, part of your annuity income will be tax-free. After you pass, the University receives the remainder to support the program you designate.

CHARITABLE REMAINDER TRUST



Cortner Society Chairperson Thomas McClung ’69 had a beautiful philanthropic example from his parents. Over time, Thomas has utilized several gift planning options, providing future support for scholarships, travel grants, and the Johnston Center for Integrative Studies. He is passionate about educating others about these methods, which he calls a “win-win” for donors and the University. When it came time to sell a rental property, he

opted to do so through a charitable remainder trust, which will pay him income for life. “I receive the benefits during my lifetime with quarterly payments and tax benefits, and the University helps me create a legacy that supports my interest for years to come,” says Thomas. “When I am gone, my contributions will continue long after I pass because I have set up this legacy.”

A powerful planning tool, the charitable remainder trust (CRT) may be structured in several ways depending on your goals and needs. You can use a CRT to turn an asset into an income stream for yourself and/or your heirs, funding it with cash or an appreciated asset, such as a rental/vacation home or stocks. There is no capital gains tax due at the time the CRT sells the appreciated property, allowing the full value to be invested to benefit you and/or loved ones. At the term’s end, the remainder comes to U of R to support the program of your choice.



CHARITABLE IRA ROLLOVER

(Qualified Charitable Distribution)

Steve Carmichael '67 and Jane Carmichael's generous contributions to the University include an endowed scholarship, an endowed student science research fund, and an endowed chair in business. As Cortner Society members, they also have made qualified charitable distributions (QCDs) from their IRAs. "We want to strengthen the University and open opportunities that would not otherwise be there," says Steve. "We also want to make sure the best educators will come to Redlands so they can help students explore new avenues in a wide breadth of experiences."

Starting at age 70 ½, you may distribute up to \$100,000 annually from your IRA tax-free to charities, such as the University. QCDs may satisfy all or part of your required minimum distribution (RMD). These distributions are excluded from your adjusted gross income, so you may save on taxes and Social Security premiums. You may benefit even if you take the standard deduction.



GIFTS OF APPRECIATED STOCK

Chad Norton '82 was the first in his family to attend college. "We didn't have a lot of money," recalls Chad, "but my parents sacrificed and saved." With his parents' help and encouragement, along with a Cal Grant and other financial aid, Norton earned his degree. Through gifts of stock, Chad and his wife Renee established an endowed scholarship in honor of Chad's parents. "Now there will always be a piece of them at Redlands, which gave me a physical home for four years and an emotional home for more than three decades," says Chad.

When you contribute appreciated stocks, you are making a gift worth more than you paid. Both your impact on the University and your tax deduction are based on the stock's fair market value at the time of the gift. Contact our office for stock transfer instructions.

REAL ESTATE GIFT



Doug Chaffee '65 and Paulette Marshall Chaffee '71 feel strongly about the need for environmental sciences in today's world. The couple established an endowed chair by giving a percentage of an apartment complex to the

University [which the University sold]. They hope this chair will not only inspire more students to pursue this field but also help Redlands to recruit outstanding talent. Says Doug, "We need people who care about their communities and want to make the world a better and safer place."

By contributing an asset worth considerably more than what you paid, you can make a significant impact on the program you are passionate about while saving on taxes. In addition to a charitable deduction based on the property's value at the time of the gift, you also avoid tax on the capital gains that would be realized if you sold the property outright.

For more information about gift planning with University of Redlands, contact:

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