

# YOUR GUIDE TO GIFT PLANNING





Planned gifts to Berkeley offer creative and flexible strategies that enable you to support the programs that are most important to you. At the same time, you will also be pursuing your own charitable and financial goals.

The first half of this illustrated brochure describes the types of personal assets that Berkeley can accept. The second half describes vehicles through which those assets can be given. What works for you depends on such factors as when you want the gift to take effect, your desired level of control or involvement, whether family or other beneficiaries will be involved, and tax implications.

Contact the Office of Gift Planning to ensure that your gift meets both your charitable goals and the needs of the university.

510.642.6300 or 800.200.0575 (toll-free)

[ogp@berkeley.edu](mailto:ogp@berkeley.edu)

[planyourlegacy.berkeley.edu](http://planyourlegacy.berkeley.edu)

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## WAYS TO GIVE

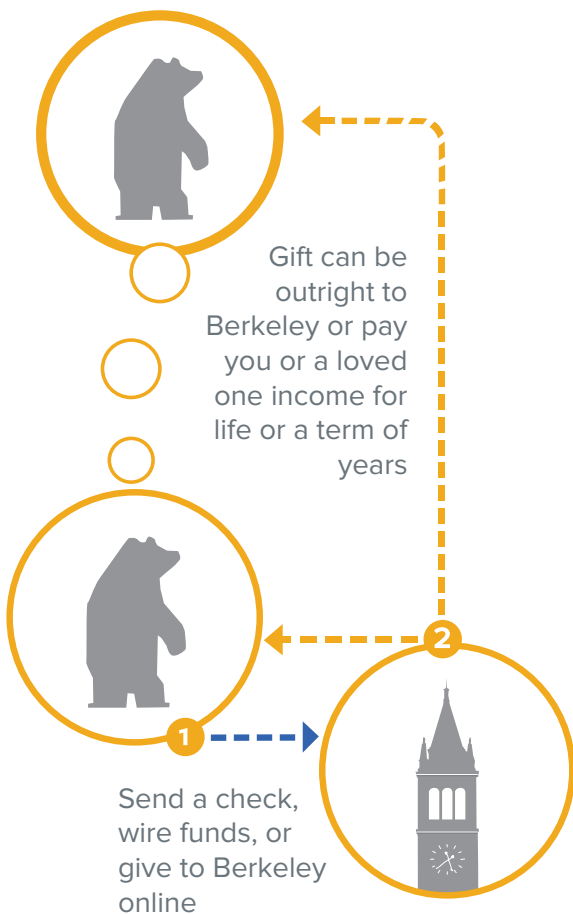
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# CASH

## How it works



Cash



## How you benefit



Income Tax  
Deduction



Flexibility



Income\*

- Cash is the simplest, quickest asset to use in making a gift
- Income tax charitable deduction is for the full amount of the gift and can be used to offset a larger percentage of your income than a gift of real estate or securities
- Any portion of the deduction not used in the year of the gift can be carried forward for an additional five years

## How to give

- Outright
- Charitable Gift Annuity
- Charitable Remainder Trust
- Deferred Charitable Gift Annuity
- Donor Advised Fund
- Donor Designated Fund
- Will / Living Trust

*\* If you fund a life income gift (e.g., charitable gift annuity or charitable remainder trust)*

# DONOR ADVISED FUND – BENEFICIARY DESIGNATION

## How it works



Donor  
Advised Fund



- 1 Name Berkeley as a beneficiary of your donor advised fund during your lifetime for any future remainder



- 2 At your passing, all or part of the remaining assets pass to Berkeley to support programs you designate



## How you benefit



### Flexibility

- You control your Berkeley legacy by designating which campus programs will be supported by the remaining assets in your fund
- You can continue to make fund distribution recommendations from your donor advised fund during your lifetime
- You can change your beneficiary designation at any time

## How to give

- Outright
- Beneficiary Designation

# PRIVATELY HELD SECURITIES

## How it works



Stocks



1

Give shares of closely held stock to Berkeley



2

Berkeley sells shares to support programs you designate



## How you benefit



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Income\*\*

- You receive an income tax charitable deduction for the appraised value of the shares, even if you obtained the shares at low or no cost, provided you have owned the stock for more than one year
- You avoid capital gains tax on the appreciation in value
- You may be able to use closely held stock to fund a life income gift, such as a charitable remainder trust
- You join other entrepreneurs planning for their continuing legacy with a donation of closely held stock

## How to give

- Outright
- Charitable Remainder Trust
- Donor Advised Fund
- Donor Designated Fund

\* For appreciated assets held more than one year

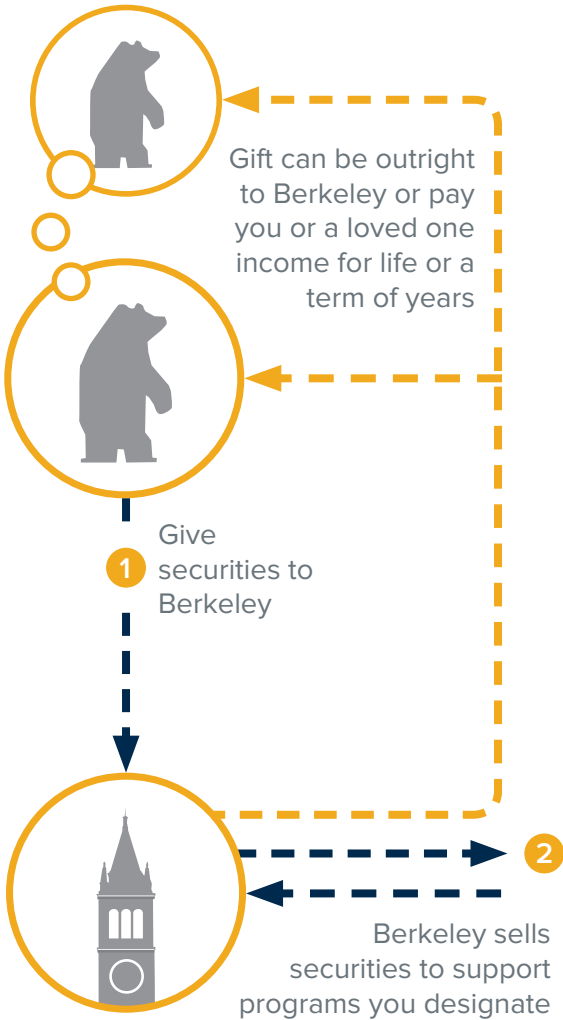
\*\* If you fund a life income gift (e.g., charitable gift annuity or charitable remainder trust)

# PUBLICLY TRADED SECURITIES

## How it works



Stocks  
and/or Bonds



## How you benefit



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility



Income\*\*

- You receive an income tax charitable deduction based on full fair market value of securities provided you have owned the stock for more than one year
- You avoid capital gains tax on the appreciation in value
- You may be able to use publicly traded securities to fund a life income gift, such as a charitable remainder trust

## How to give

- Outright
- Charitable Gift Annuity
- Charitable Remainder Trust
- Deferred Charitable Gift Annuity
- Donor Advised Fund
- Donor Designated Fund
- Will / Living Trust

\* For appreciated assets held more than one year

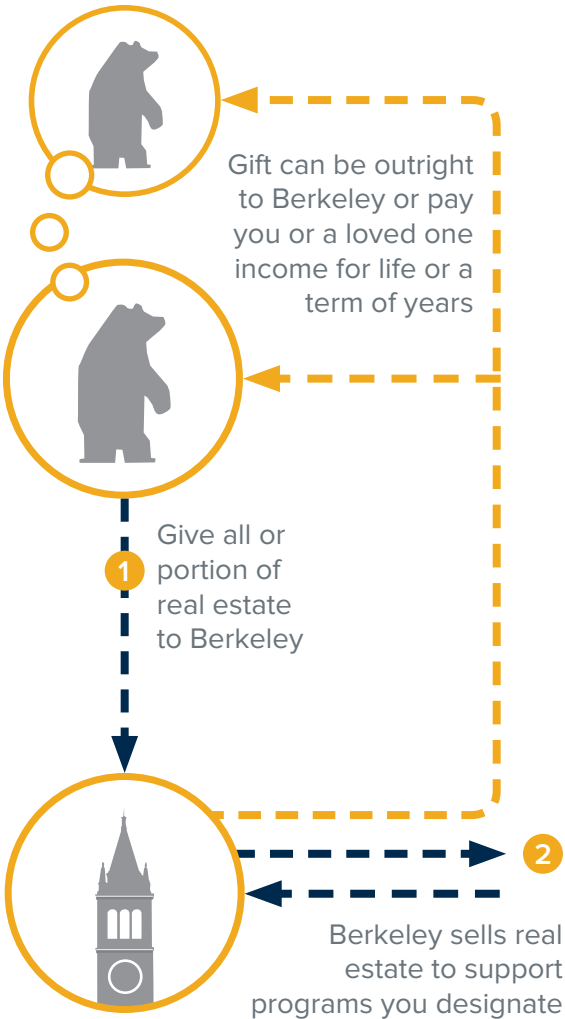
\*\* If you fund a life income gift (e.g., charitable gift annuity or charitable remainder trust)

# REAL ESTATE

## How it works



Real Estate



## How you benefit



Income Tax  
Deduction



Capital Gains  
Tax Benefit



Income\*

- Income tax charitable deduction will equal full fair-market value of the property, not the price you paid to purchase the property
- No capital gains tax at time of transfer
- Possible to give a partial interest
- You may be able to use real estate to fund a life income gift, such as a charitable remainder trust

## How to give

- Outright
- Charitable Remainder Trust
- Donor Advised Fund
- Donor Designated Fund
- Will / Living Trust

*\* If you fund a life income gift (e.g., charitable remainder trust)*

# RETIREMENT PLANS

## How it works

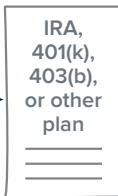


Retirement  
Plan



1

Name Berkeley as a beneficiary of your IRA, 401(k), 403(b), or other retirement plan



All or part of the remaining plan assets pass to Berkeley tax-free at your passing to support programs you designate

2



## How you benefit



Flexibility



Estate Tax  
Deduction



Income



No Income  
Tax

- You can continue to take distributions from your retirement accounts during your lifetime
- You create a tax-efficient estate plan by leaving other assets to loved ones, which — unlike retirement plans — are not subject to both income and estate tax (if applicable)
- You can change your beneficiary designation at any time
- Possible, with a remainder beneficiary, to pay a loved one income for life or a term of years

## How to give

- Beneficiary Designation

# BENEFICIARY DESIGNATIONS

## How it works



Retirement Plan

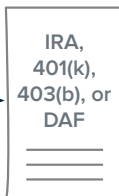


Donor Advised Fund



1

Name Berkeley as a beneficiary of your retirement plan or external donor advised fund



All or part of the remaining plan or fund assets pass to Berkeley at your passing to support programs you designate

2





## How you benefit



Flexibility



Estate Tax  
Deduction



No Income  
Tax

### **RETIREMENT PLAN** **(e.g., 401(k), 403(b), IRA)**

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- You can continue to take distributions from your retirement accounts during your lifetime
- You can create a tax-efficient estate plan by leaving other assets to loved ones, which — unlike retirement plans — are not subject to both income and estate tax (if applicable)
- You can change your beneficiary designation at any time
- Berkeley uses the proceeds as you designate

### **DONOR ADVISED FUND**

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- You continue to make grant recommendations from your external donor advised fund
- You can change your beneficiary designation at any time
- Berkeley uses the remainder proceeds as you designate

# CHARITABLE GIFT ANNUITY

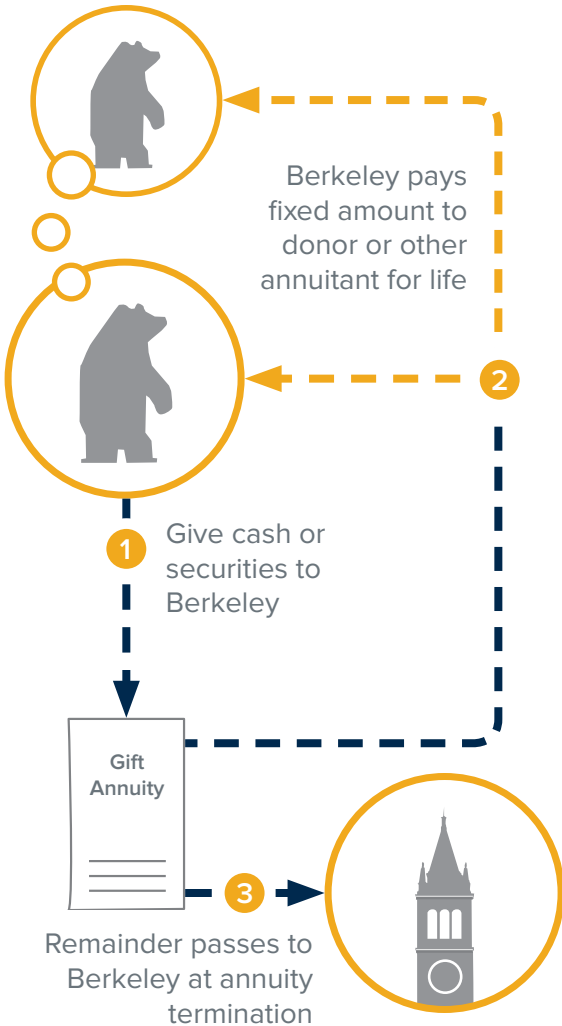
## How it works



Cash



Stocks  
and/or Bonds



## How you benefit



Income



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility

- You or loved ones receive fixed income for life
- You receive an income tax charitable deduction at time of gift
- You pay no capital gains tax at time of gift of appreciated assets held more than one year
- You receive favorable tax treatment for a portion of annuity payments
- You diversify your assets

*\* For appreciated assets such as stocks/bonds held more than one year*

# CHARITABLE REMAINDER TRUST

## How it works



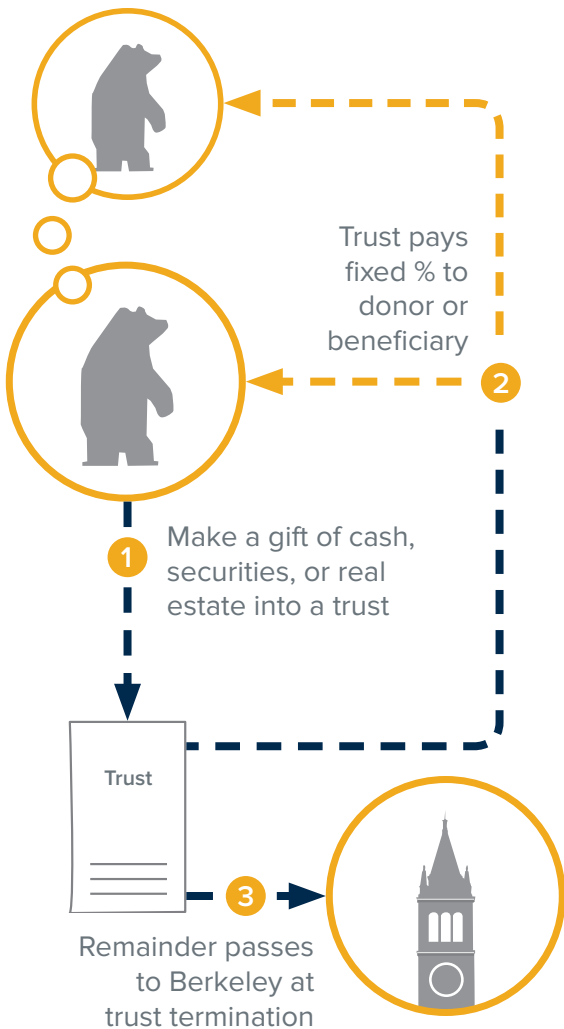
Cash



Stocks  
and/or Bonds



Real Estate



## How you benefit



Income



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility

- You or loved ones retain income stream from donated assets
- You receive an income tax charitable deduction at time of gift
- You pay no capital gains tax at time of gift of appreciated assets held more than one year
- You can make additional gifts to the trust over time

*\* For appreciated assets such as stocks/bonds and real estate held more than one year*

# DEFERRED CHARITABLE GIFT ANNUITY

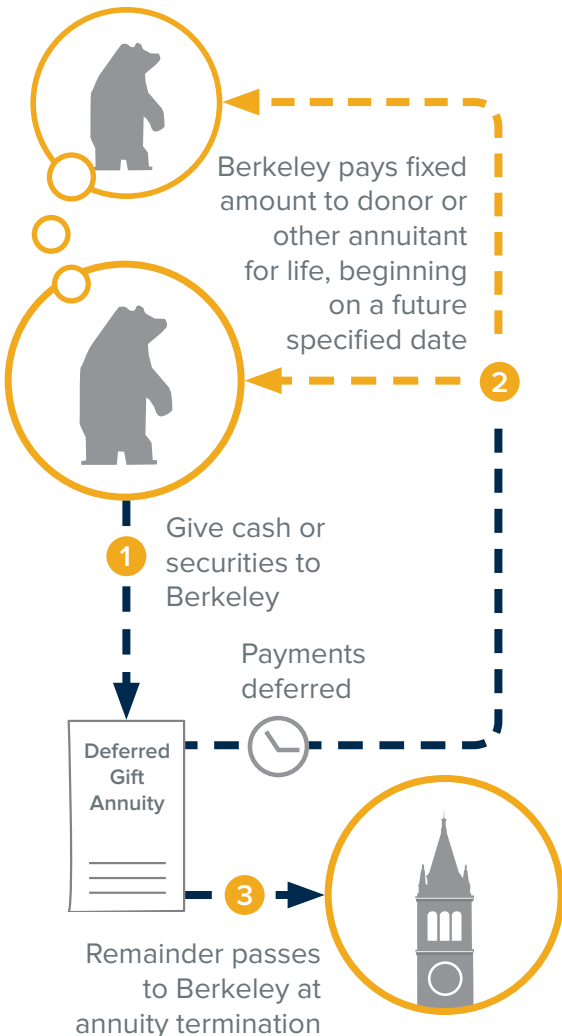
## How it works



Cash



Stocks  
and/or Bonds



## How you benefit



Income



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility

- You receive the same benefits as those of a charitable gift annuity (see page 17)
- Your payout rate is higher and income tax charitable deduction is larger than immediate payment gift annuity
- Your future start date can coincide with important life events, such as a retirement or a grandchild's college years

*\* For appreciated assets such as stocks/bonds held more than one year*

# DONOR ADVISED FUND

## How it works



Cash



Stocks  
and/or Bonds

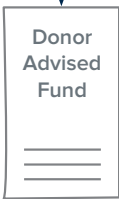


Real Estate



1

Give cash, securities, or real estate to Berkeley to create a donor advised fund\*



*\* contact our office for minimum required gift amounts*

2

Recommend annual distributions to support Berkeley programs as well as other charitable organizations

Minimum to Berkeley

51%

Maximum to other charities

49%





## How you benefit



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility

- You streamline your gift planning by using the fund as the primary source of your charitable giving
- You get an immediate income tax charitable deduction based on full fair market value of the assets and avoid capital gains tax (on appreciated assets held more than one year)
- You maximize your tax benefits by making gifts to your fund at any time without having to recommend distributions until later
- Your fund assets grow tax-free, are professionally managed, and are invested in institutional-quality no-load mutual funds
- Berkeley administers the fund, makes distributions in the fund's name, and provides all necessary tax-reporting information
- You can add to the fund at any time

*\* For appreciated assets such as stocks/bonds and real estate held more than one year*

# DONOR DESIGNATED FUND

## How it works



Cash



Stocks  
and/or Bonds



Real Estate



1

Give cash, securities, or real estate to Berkeley to create the fund\*



*\* contact our office for minimum required gift amounts*

2

Recommend annual distributions to support Berkeley programs



## How you benefit



Income Tax  
Deduction



Capital Gains  
Tax Benefit\*



Flexibility

- Your fund can simplify and streamline charitable giving to Berkeley
- You get an immediate income tax charitable deduction based on full fair market value of assets and avoid capital gains tax (on appreciated assets held for more than one year)
- Maximize your tax benefits by making gifts to your fund at any time without having to recommend distributions until later
- Your fund assets grow tax-free, are professionally managed, and are invested in institutional-quality no-load mutual funds
- Berkeley administers the fund, makes distributions in the fund's name, and provides all necessary tax reporting information
- You can add to the fund at any time

*\* For appreciated assets such as stocks/bonds and real estate held more than one year*

# IRA CHARITABLE ROLLOVER

## How it works

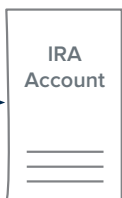


IRA  
Account



1

Instruct IRA custodian to distribute assets directly to Berkeley



IRA distribution to Berkeley is tax-free

2



## How you benefit



Flexibility



No Income  
Tax

- Your distribution is tax-free
- You can satisfy all or part of your annual required minimum distribution
- You can satisfy outstanding pledges with an IRA distribution

## Tax code requirements

- You must be 70½ at time of distribution
- Distribution cannot exceed \$100,000 per year per individual
- Distribution must come directly from IRA custodian
- You cannot receive any goods or services in return for the gift

# RETAINED LIFE ESTATE

## How it works



Real Estate



Give all or a portion of personal residence to Berkeley (including farms, ranches, etc.), subject to a right to reside in it for life

1

Live in the property, maintaining it and paying expenses



When life estate ends, Berkeley sells property to support programs you designate

3



# How you benefit



## Income Tax Deduction

- You continue enjoying the property for life
- You get an immediate income tax charitable deduction based on the fair market value of property, less the value of the life estate
- You can terminate the life estate early and receive a second tax deduction
- Your property is no longer part of your taxable estate and passes to Berkeley immediately on termination of the life estate

# WILL / LIVING TRUST

## How it works



Cash



Stocks  
and/or Bonds



Real Estate

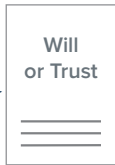


Tangible  
Property



1

Include Berkeley  
in your will or trust



Berkeley  
receives  
gift at your  
passing

2

Your legacy lives  
on at Berkeley

3





# How you benefit



Estate Tax  
Deduction\*



Flexibility

- Assets remain in your control during lifetime
- Can be modified if necessary
- You designate the gift's purpose

*\* As of January 2018, not an issue for estates under \$11.2 million (\$22.4 million for married couple), but note this figure is adjusted for inflation*



# HELP BUILD A BETTER BERKELEY

Thank you for considering a gift to the **University of California, Berkeley Foundation**. We invite you to contact the Office of Gift Planning. Our experienced team can offer hands-on guidance in exploring the many creative, flexible giving options available to you.

For additional information on ways to give through life insurance, personal property, a charitable bargain sale, charitable lead trust, and more, please visit [planyourlegacy.berkeley.edu](http://planyourlegacy.berkeley.edu).

Please also let us know if you have already included a gift to Berkeley in your estate plan. We can review your gift language to ensure the university can implement your philanthropic intentions. We will honor your enduring commitment by inviting you to join The Benjamin Ide Wheeler Society, Berkeley's community of planned gift donors.

## CONTACT INFORMATION

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[planyourlegacy.berkeley.edu](http://planyourlegacy.berkeley.edu)

## LEGAL NAME / TAX ID

All charitable gifts should be directed to the University of California, Berkeley Foundation. Its tax ID number is 94-6090626

