

Gift Planning Guide



“I am pleased to have been able to make this gift to the university, but I am doubly pleased to know this was a good financial choice for me and my family that will reap benefits for many years to come.”

— Sidney P. Marshall

Methods of Giving to the University of Florida

4 Cash

5 Appreciated Securities

6 Retirement Plan Assets

7 Charitable Lead Trust

8 Life Income Gifts

10 Real Estate

12 Life Insurance

13 Bequest

14 UF Legacy Society

The UF Foundation (federal tax ID number 59-0974739) is a Florida nonprofit organization exempted from federal income tax as a 501(c)(3) publicly supported charity. The UF Foundation does not provide legal, tax or financial advice. When considering planning matters, seek the advice of your own legal, tax or financial professionals.

Cash

› Simple with immediate impact



Benefits

- ➔ Cash is the easiest gift to make.
- ➔ Cash gifts go straight to work supporting the programs that are important to you.
- ➔ Cash gifts may be combined with other techniques described in this guide to leverage the impact of your gift.

Did You Know?

- ➔ UF accepts checks and wired funds. Or you can contribute online using a credit card at <https://www.uff.ufl.edu/giving-opportunities/>.
- ➔ Cash gifts provide the maximum charitable income tax deduction available under federal tax laws. For cash gifts, you can claim a deduction up to 60 percent of your adjusted gross income, with any excess balance carried forward for up to five years.

Appreciated Securities

› Minimize tax and maximize gift

Benefits

- ➔ Giving appreciated securities — stocks and bonds — can be more tax efficient than giving cash.

HERE'S WHY:

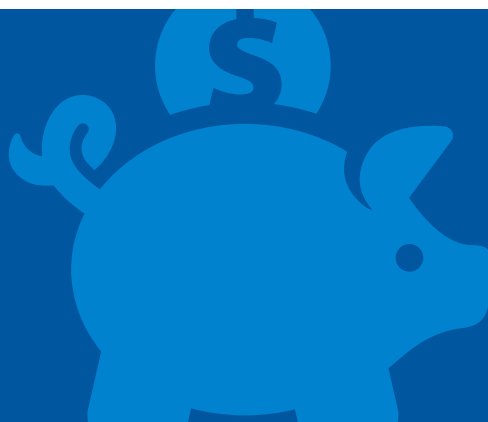
- ➔ If you make a gift of securities directly to UF, you will qualify for an income tax deduction — and gift credit with UF — for the full market value, without paying capital gains tax.
- ➔ If you were to sell these securities before making the gift, you would have to pay tax on any capital gains.

Did You Know?

- ➔ If you own securities in a brokerage account, these shares can easily be electronically transferred to UF.
- ➔ In most cases, UF will promptly sell gifted securities that are publicly traded and apply the cash toward the purpose you designate.
- ➔ Closely held stock and other securities that are not publicly traded work best when there is a mechanism for UF to sell the gifted interest to other stakeholders or the corporation itself. For these gifts, the donor must usually obtain an appraisal to claim a tax deduction. For more information, contact UF's Office of Estate & Gift Planning at 866-317-4143.

Retirement Plan Assets

› Avoid double taxation



Benefits

- Retirement accounts such as IRAs, 401(k) and 403(b) plans, can be subject to double taxation — ordinary income and estate tax — meaning that more than 60 percent can go to taxes if left to your heirs.
- Retirement plan assets left to UF will transfer tax-free.
- In planning for your estate, consider giving UF your retirement plan assets and leave more favorably taxed assets to your family.

Did You Know?

- Most account administrators require the organization's legal name and tax ID number. To designate UF as a beneficiary, the legal name is **The University of Florida Foundation, Inc.**, and the tax ID number is **59-0974739**.
- Under the “Protecting Americans from Tax Hikes Act” of 2015, Americans over age 70½ can distribute up to \$105,000 in a calendar year from an IRA to UF or other public charities tax-free. This can be a significant benefit for IRA owners who are subject to required minimum distributions (RMDs), which are included in their gross income. If your spouse has a separate IRA, he or she can also make a qualified charitable distribution. The amount of the transfer will not be included in your taxable income, and the transferred amount may count toward your RMD.*

*The Consolidated Appropriations Act of 2023 (Act) increased the age for required minimum distributions from retirement plans.

The Act increased the age retirees must begin taking taxable withdrawals to age 73 in 2023 and age 75 by 2033, up from age 72 under the previous law. IRA owners can still make a qualified charitable distribution (QCD) starting at age 70 ½. Beginning in 2024 and moving forward, the maximum annual QCD amount will increase to account for inflation.

Charitable Lead Trust

➤ A valuable estate planning tool



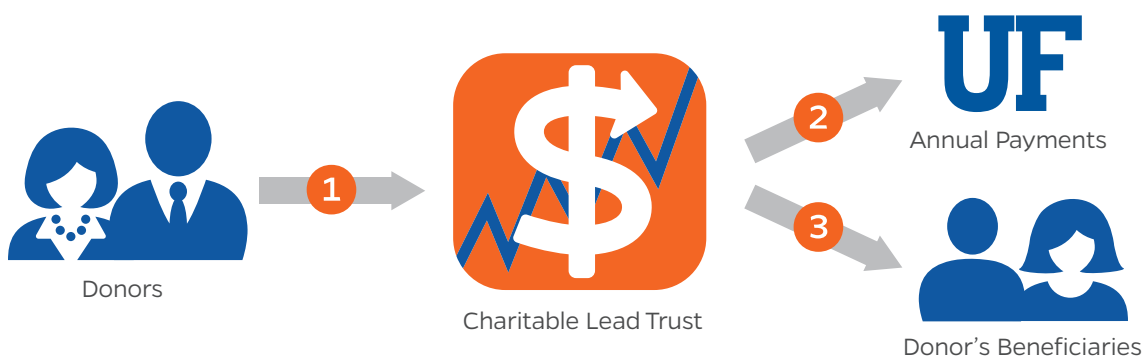
Benefits

- A Charitable Lead Trust can greatly reduce or eliminate gift or estate tax on trust assets passing to family members.
- A Charitable Lead Trust makes annual payments to UF for a period of time set by the donor, then distributes the remaining assets to the donor's family or other named beneficiaries.
- This structure provides a tax-advantaged method of supporting UF for a set number of years, with a potentially significant future tax-free distribution to family and other heirs.

Did You Know?

- A Charitable Lead Trust is complex and must be carefully reviewed by the donor's advisors to ensure it is compatible with their entire estate plan.

How it works



Life Income Gifts

› Make a gift and receive income for life



CHARITABLE REMAINDER TRUST (CRT)

Benefits

- ➔ A CRT pays individual beneficiaries an annual amount for their lives or a fixed term of up to 20 years.
- ➔ Donors who create a CRT can claim an income tax deduction that represents the present value of the eventual gift to UF.
- ➔ When the CRT ends, the remaining assets are distributed to UF.

Did You Know?

- ➔ Life income beneficiaries can be the donor, family members or others.
- ➔ The trust principal is normally invested for a total return and grows tax-free. It can be invested in a variety of diversified portfolios, including UF's endowment.
- ➔ An Annuity Trust makes a fixed annual payment and a Unitrust makes a variable annual payment.
- ➔ Unitrusts are revalued annually, and if the principal in the trust appreciates, payments will be correspondingly larger. However if the principal depreciates, payments will be smaller.

CHARITABLE GIFT ANNUITY

Benefits

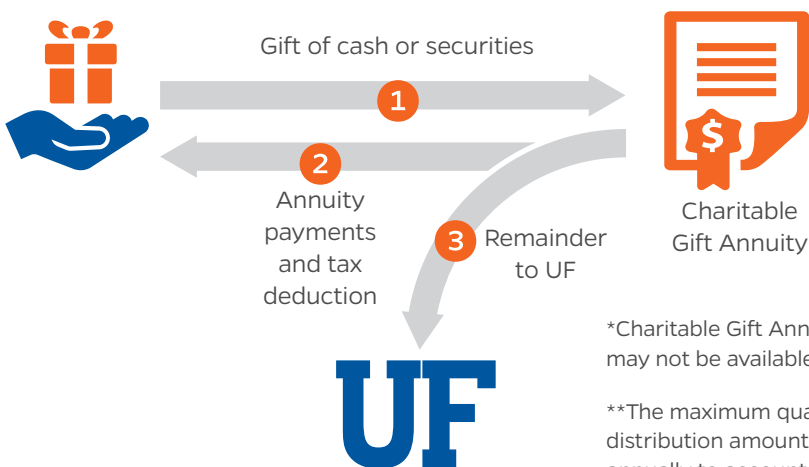
- ➔ In exchange for your gift, UF promises to make lifetime annuity payments to one or two annuitants.*
- ➔ The contractual obligation is backed by the UF Foundation, Inc., making this a very secure source of future income.
- ➔ After the death of the last annuitant, the balance of the remaining gift will be used by UF for the purpose you've designated.

Did You Know?

- ➔ Donors receive an income tax deduction based on the fair market value of the assets contributed less the present value of the future annuity payments.
- ➔ Payments to annuitants are generally partly taxable as ordinary income and capital gain (if funded with appreciated assets), and a portion is usually treated as a tax-free return of principal.
- ➔ The Consolidated Appropriations Act of 2023 (Act) permits donors age 70 ½ or older to make a one-time qualified charitable distribution of up to \$53,000 from their IRA to fund a charitable remainder trust or charitable gift annuity.**

The Act outlines rules and restrictions that must be followed when making this type of gift. If you are interested in learning more, please contact UF's Office of Estate & Gift Planning. You should also consult with your tax and financial advisors regarding this gift option.

How it works



*Charitable Gift Annuities may not be available in all states.

**The maximum qualified charitable distribution amount will increase annually to account for inflation.

Real Estate

› The greatest gift at the lowest cost



OUTRIGHT GIFTS

Benefits

- ➔ Receive a charitable income tax deduction for the full fair market value of the property.
- ➔ Avoid capital gains tax on appreciation.
- ➔ Transfer to UF the burden and expense of managing and selling your property.

Did You Know?

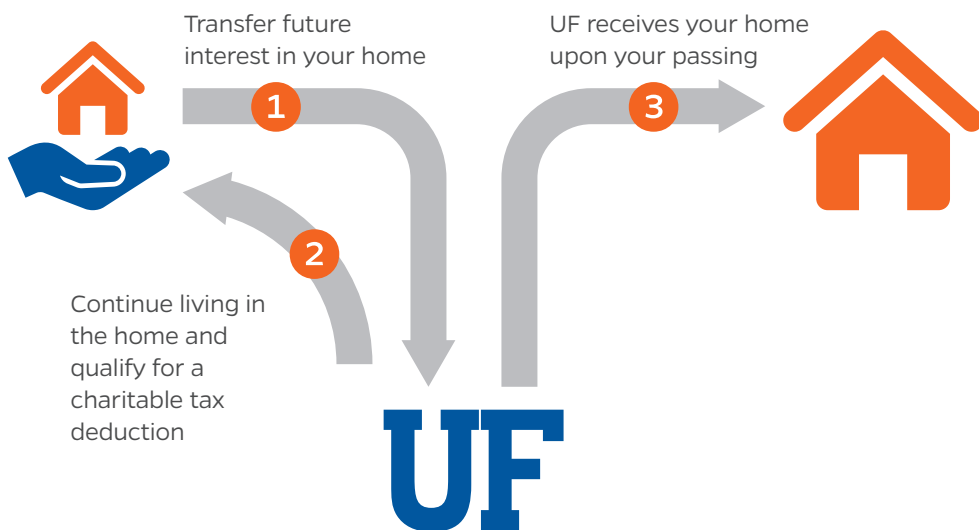
- ➔ UF's Office of Estate & Gift Planning has the resources and expertise to facilitate most real estate gifts.
- ➔ An appraisal is usually required to substantiate the tax deduction for most real estate gifts, and the appraisal must be obtained by the donor.
- ➔ In some cases, UF may be willing to purchase a property for less than its fair market value, and the donor is able to claim a tax deduction for the difference.
- ➔ Property subject to a mortgage may not be suitable as a gift to UF due to tax and other considerations.

RETAINED LIFE ESTATE

Benefits

- ➔ Transfer title of your personal residence, farm or ranch now, while retaining the right to live in it or use it for the rest of your life or another's life. Upon the death(s) of the life tenant(s), title to the property vests to UF, and any subsequent sale proceeds will be applied to the purpose you designate.
- ➔ You receive an immediate income tax deduction based on the fair market value less the present value of the retained life estate.

How it works



Life Insurance

› Name UF as the beneficiary



Benefits

- ➔ Life insurance allows donors to leverage their resources while providing an extraordinary gift for future Gators.
- ➔ You can donate your existing policy by making UF owner/beneficiary and receive an income tax deduction for the value of the policy.

Did You Know?

- ➔ If you prefer, you can maintain ownership of your policy but still name UF as a beneficiary. This way, you maintain the flexibility to change beneficiaries if your situation changes.
- ➔ Fully paid-up policies are preferable to UF. The university may cash out gifts of policies not fully paid up unless the donor makes gifts to UF to cover future premium payments.
- ➔ If you have a term policy (often provided as an employment benefit), consider naming UF as a beneficiary.

Bequest

➤ A revocable gift in your will or living trust



Benefits

- A bequest is a gift to UF at your passing, generally through a provision in your will or living trust.
- It may be revoked at any time during your lifetime if your situation changes.

Did You Know?

- You can complete a Change of Beneficiary form to name UF as a beneficiary of your retirement plan, bank account, brokerage account or life insurance policy.
- A bequest might not be received by UF for many years — so there's a delay in funding the gifted purpose. As a result, restrictions placed on the use of your gift should be as minimal as possible, providing UF with maximum flexibility, as priorities and programs change over time.
- For suggested bequest language, go to <https://giftplanning.uff.ufl.edu> or call UF's Office of Estate & Gift Planning at 866-317-4143 or 352-392-5512.

UF Legacy Society

› Honoring those who remember UF



Donors of planned gifts to UF are eligible for membership in the UF Legacy Society. Membership is one way the university is able to thank you during your lifetime for your planned gift.

UF Legacy Society members receive:

- ➔ Invitations to exclusive events
- ➔ Triannual *Legacies* newsletter
- ➔ Designation as a President's Council member*
(with gifts of more than \$100,000)

If you have already provided for a planned gift to UF, please contact the Office of Estate & Gift Planning to join the UF Legacy Society. Here are some ways to become eligible for membership:

- ➔ Include a bequest for UF in your will or living trust.
- ➔ Name UF as a beneficiary of a life insurance policy or retirement account.
- ➔ Establish a charitable gift annuity at UF.
- ➔ Name UF as the beneficiary of a charitable remainder trust or charitable lead trust.
- ➔ Deed your home or other residential property to UF while retaining a life estate.

*Membership in the President's Council is based on cumulative giving. Gifts of cash, securities, real estate or insurance premiums, deferred gifts, employer matches and gifts in kind are all counted toward your cumulative giving.

Benefits include: football parking pass lottery, complimentary day parking passes, life membership to the UF Alumni Association, subscription to Florida GATOR magazine, regional Gator Club invites, University Library privileges, access to UF Recreational Facilities and a 20% discount at Samuel P. Harn Museum of Art and Florida Museum of Natural History gift shops. For more information visit: www.uff.ufl.edu/presidentscouncil.

An aerial photograph of a brick plaza at the University of Florida. Two large, yellow, abstract sculptures resembling stylized Gator heads are positioned on the plaza. Several people are walking around the plaza. The background shows green trees and a paved path.

**UF's Office of Estate & Gift Planning is a
resource center for the entire Gator family.**

**Office of Estate & Gift Planning
University of Florida**

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