Gift Planning Guide

The benefits of making a planned gift to USC
When you make a planned gift to the University of Southern California, you have tremendous flexibility in determining how the funds will be used, as well as many methods for making your planned gift. Planned gifts offer you an opportunity to create income for life, claim valuable income tax deductions and/or reduce your estate taxes. See the many methods and benefits of planned gifts below.

**BEQUEST**
You may make a bequest gift through your estate by including a provision in your will or living trust, or by naming USC as a beneficiary of a retirement plan or life insurance policy. The amount left to the university can be expressed as a dollar amount or as a percentage of the assets to be given.

**LIFE INCOME GIFTS**
A life income gift allows you to give assets to USC while providing yourself or others with income for a period of time before USC is permitted to use your gift. You may make a life income gift by transferring securities, cash or other property to USC or a trustee. USC or the trustee then manages the assets and pays an income to you and/or your designated beneficiaries. Income payments continue for the beneficiaries’ lives or for a term of up to 20 years.

Two of the most common types of life income gifts are:

**Charitable Gift Annuity**
In exchange for an outright gift, USC agrees to pay a fixed amount each year to you and/or another beneficiary for life.

USC’s obligation to make payments is backed by its assets. Therefore, the annual payments are a reliable source of future income. After the last beneficiary passes away, USC will use the remaining balance to support the purpose you have designated.

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 beneficiaries may be treated as ordinary income, capital gains and/or tax-free return of principal.

**Charitable Remainder Unitrust**
A trust is established from which you and/or other beneficiaries receive annual payments for life or a term of years. Donors receive an income tax deduction based on the fair market value of the assets contributed, less the present value of the future trust payments. USC can help establish the trust and serve as trustee at no cost to the donor. At the end of the trust term, the remainder of the trust assets will be used by USC to support the purpose you have designated.
OTHER TYPES OF GIFTS

Charitable IRA Rollover
If you are 70½ or older, you can make a gift to USC with a distribution from your Individual Retirement Account (IRA) and take advantage of tax savings. This can be a significant benefit for IRA owners who are required each year to take a required minimum distribution, which is included in their gross income for income tax purposes.

If an IRA owner directs the IRA plan administrator to distribute any amount up to $100,000 directly to USC, the distribution counts toward the owner’s required minimum distribution, but is not included in his or her gross income for income tax purposes. As a result, the IRA owner is not entitled to an income tax deduction for the distribution.

Charitable Lead Trust
A charitable lead trust is established by irrevocably transferring assets, from which annual payments are made to USC for a period of years. At the end of the trust term, the remaining assets go to your children or other beneficiaries.

USC Donor Advised Fund
A donor advised fund allows you to make a tax-deductible gift to USC today, and later advise the university on how you would like the gift to be used. At least half of the gift must be designated to USC, and the rest may support other charities.

GIFTS OF APPRECIATED ASSETS

Real Estate
Real estate can be given outright or from your estate. You will receive an income tax charitable deduction for the full market value of the property when USC receives the gift. Real estate can also be used to fund a life income gift. Another option is to establish a retained life estate in your home, while retaining the right to live in it for the rest of your life. A gift of real estate may minimize or eliminate capital gains tax on any appreciation.

Life Insurance
You can name USC as the beneficiary of your life insurance policy and/or transfer ownership of your life insurance policy to USC. Under certain conditions you may receive an income tax deduction.

Retirement Accounts
A retirement plan can be a tax efficient and simple way of including USC in your estate plans. The best method is to name USC as a beneficiary on your plan’s beneficiary designation form. The full value of the gift can be used by USC to support the designated purpose because USC does not pay income or estate taxes on the distribution.

CONTACT US
The USC Office of Gift Planning is a valuable resource to any member of the Trojan Family considering a gift to USC. For more information or to meet with a gift planning expert, please contact:

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