

# REUNION: WAYS TO GIVE

## IMMEDIATE USE GIFTS

**CASH:** Giving cash is easy and familiar. Visit [giving.northeastern.edu](http://giving.northeastern.edu), enter “School of Law” in the search field, and make a gift to your chosen fund using a debit or credit card. For itemizers, if you use cash (and only cash) for 100% of your gifts to public charities, the income tax charitable deduction limit is 60% of your adjusted gross income (AGI). Any unused deduction may be carried forward for an additional five years.

**APPRECIATED SECURITIES AND MUTUAL FUNDS:** Held 1+ years, these gifts are also easy to make and you pay no capital gains tax on the appreciation. When given outright, your charitable deduction is equivalent to the market value of the shares on the date received, limited to 30% of your AGI. Any unused deduction amount may be carried forward for five years. Contact Noreen Gallagher at 617.373.2793 or [n.gallagher@northeastern.edu](mailto:n.gallagher@northeastern.edu) for asset transfer instructions to share with your broker.

**RETIREMENT PLAN ASSETS:** IRA, 401(k) or 403(b) retirement plans work well for saving for retirement, but as an income stream they may be your most heavily taxed asset. Withdrawals are taxed by the IRS, and by your state and/or city. If those funds are left to heirs, they will be taxed more heavily than other estate assets; consequently, gifts from your retirement plan may be the most attractive asset to use for charitable giving.

**IRA Direct Transfers/Qualified Charitable Distribution/Charitable Rollover:** If you own a traditional IRA, once you reach **age 70 ½**, you may elect to make a Qualified Charitable Distribution (QCD), up to an aggregate \$100,000 per year, to qualified charities like Northeastern without recognizing that distribution in your AGI. Once you are age 73, any QCD may satisfy all or a portion of your Required Minimum Distribution (RMD), removing it from your AGI at tax time.

**Don't Have an IRA?** Distributions from 401(k), 403(b), 457 governmental plans, simple IRA plans, and simplified employee pension (SEP) plans are not eligible for the QCD. However, many of these plans may be rolled into a traditional IRA to take advantage of this provision. Talk to your plan administrator or financial advisor to see whether this makes sense for you.

Gifts and pledges from retirement plans can be directed to any fund for any purpose at NUSL. To make a gift from your traditional IRA, contact your IRA administrator and Northeastern's Office of Gift Planning at 617.373.2030 or [giftplanning@northeastern.edu](mailto:giftplanning@northeastern.edu).

## LEGACY/FUTURE GIFTS

When you make a planned gift to Northeastern, you will become a member of the Frank Palmer Speare Society. Learn more at [plannedgiving.northeastern.edu/frank-palmer-speare-society](http://plannedgiving.northeastern.edu/frank-palmer-speare-society). To document the following gift options, use our Estate Gift Intention form at [plannedgiving.northeastern.edu/gift-intention](http://plannedgiving.northeastern.edu/gift-intention).

**BENEFICIARY DESIGNATION ON AN EXISTING ACCOUNT:** An easy, no-cost way to make a gift from your estate is to name NUSL as a beneficiary on a retirement account, life insurance policy, bank or investment account where allowable.

**NAME NUSL IN YOUR WILL OR TRUST:** Make a gift through your will or trust by including a specific dollar amount or a percentage gift to NUSL. Suggested language can be found at [plannedgiving.northeastern.edu](http://plannedgiving.northeastern.edu).

## LIFE INCOME GIFTS

**CHARITABLE GIFT ANNUITY:** This simple contract between you and Northeastern can provide:

- Fixed, supplemental income for your lifetime—and future support for NUSL.
- An immediate charitable income tax deduction.
- Ability to make a larger gift because of the income you receive in return.

**Annuity Income:** This income is guaranteed by Northeastern and based on the age of the annuitant and amount of the gift. With a minimum gift of \$10,000 or more in cash or appreciated securities, including mutual funds, you can begin receiving payments immediately if you are age 60 or older. You may also defer payments for a year or more, and enjoy a proportionately higher payout rate and income tax deduction. If you include a second annuitant, they will also receive payments for life.

**Benefits of Using Cash or Low-Interest CDs to Fund Your Gift Annuity:** (1) You create a reliable stream of income for life; and (2) a portion of the income paid to you is free of federal income tax. The remainder of the income is reported as ordinary income on your taxes.

**Benefits of Using your IRA RMD to Fund Your Gift Annuity:** (1) You may satisfy all or a portion of your RMD (up to \$50,000 in one year); (2) provides a fixed income for life; (3) spreads the lump sum tax attributable to the RMD into smaller sums over your lifetime. (Other restrictions apply for this limited option.)

**Benefits of Using Appreciated Securities for a Gift Annuity:** (1) You have no immediate capital gains tax due, and you save capital gains tax overall; (2) a portion of the income paid is tax free, a portion is subject to capital gains tax, and a portion is reported as ordinary income; and (3) *this is an excellent way to turn a non-income producing asset into a steady stream of income.*

**Example:** Joan, age 65, creates a 5.4% one-life gift annuity with \$25,000 in cash that will ultimately benefit NUSL's Center for Public Interest, Advocacy, and Collaboration (CPIAC).

**Benefits:**

- \$25,000 reunion gift.
- \$1,350 fixed income annually for life; \$784.35 is tax free for 19.9 years.
- A \$9,390.75 charitable income tax deduction.
- Satisfaction of providing future support for CPIAC.

**VARIABLE INCOME FOR LIFE WITH A CHARITABLE REMAINDER UNITRUST (CRUT):** This special irrevocable gift arrangement allows you to make a substantial gift in recognition of your reunion while retaining an income for life or a term of years. Each year, the income beneficiaries receive a fixed percentage (typically 5%) of the trust's assets, which is revalued annually; if the trust grows, so does your income. When Northeastern serves as trustee, the minimum funding level is \$100,000. Once established, you may add to the trust any time and receive another charitable income tax deduction.

**Example:** Dan and Liz, both age 70, would like to support Dan's reunion at NUSL, but they also want to increase their retirement income. They decide to establish a 5% CRUT with \$100,000 of stock they bought years ago for \$40,000. The stock currently pays a 1.9% dividend of \$1,900 per year. They can serve as their own trustees, have Northeastern serve as trustee, or use an investment advisor.

**Benefits:**

- \$100,000 reunion gift.
- Income increases from \$1,900 to \$5,000 the first year; thereafter, it is recalculated annually at a fixed 5% of the trust's value.
- A \$39,157 immediate charitable income tax deduction.
- No capital gains tax due upon funding; a portion of the income will be taxed according to the investment strategy of the trust assets.
- A generous future gift (the remainder after the income beneficiaries' lifetimes) to support a program or fund at NUSL.

ONE LIFE GIFT ANNUITY RATES AS OF JANUARY 1, 2023			
Age	Rate %	Age	Rate %
59	4.8	75	6.6
60	4.9	76	6.8
61	5.0	77	7.0
62	5.1	78	7.2
63	5.2	79	7.4
64	5.3	80	7.6
65	5.4	81	7.8
66	5.5	82	8.1
67	5.6	83	8.3
68	5.7	84	8.5
69	5.8	85	8.7
70	5.9	86	8.9
71	6.0	87	9.1
72	6.2	88	9.3
73	6.3	89	9.5
74	6.4	90+	9.7

Rates established by the American Council on Gift Annuities