



# IT'S YOUR LEGACY. EXPLORE IT.

## LIFE INCOME GIFTS

Many prospective donors wish to make a significant gift to Cal Poly but would also like to retain an income from their assets during their lifetimes. Both goals can be accomplished through a life income arrangement with Cal Poly.

### BENEFITS FROM A LIFE INCOME GIFT

- **Capital Gains Bypass:** No capital gains tax is due when the appreciated asset is sold, leaving the entire principal amount available to produce income.
- **Enhanced Income:** Once the appreciated asset is sold, the proceeds can be reinvested into a diversified portfolio that produces more income.
- **Income Tax Savings:** You will receive an income tax deduction.
- **Estate Tax Savings:** Assets transferred into the gift vehicle are not subject to estate taxation.
- **Relief From Management Responsibility:** You will no longer have the burden of managing an asset such as real estate, but will instead simply receive periodic distributions.
- **Significant Future Support for Cal Poly:** Planned gifts allow you to give more generously than you might have thought possible due to the tax and financial benefits.

### CHARITABLE GIFT ANNUITIES

A charitable gift annuity allows a transfer of cash or securities to Cal Poly in exchange for fixed payments to you or a loved one for life. Benefits include an immediate income tax deduction, in addition to the possibility that an annuity payment might be received tax-free. At the end of the annuity, the remaining funds will benefit Cal Poly in the area of your choice.

Another option is a deferred gift annuity, which operates in the same way, but allows your payments to begin at a date in the future. In exchange for delaying your payments, you receive a more favorable annuity rate.

### CHARITABLE REMAINDER TRUSTS

A charitable remainder trust enables you to convert an asset into an income stream through an irrevocable gift of cash, securities or real estate. Once in the trust, appreciated assets can be sold tax-free and reinvested into a diversified portfolio to provide income during your lifetime. In addition, you receive a charitable income tax deduction for part of the gift's value. Creative uses for a charitable remainder trust include: using the distributions to build a college fund for your children or grandchildren; naming a beloved employee as the beneficiary to bolster his or her retirement income; and ensuring your spouse has adequate cash flow should you pass away.

CALIFORNIA POLYTECHNIC STATE UNIVERSITY FOUNDATION'S FEDERAL TAX IDENTIFICATION NUMBER IS 20-4927897.

## CAL POLY

Office of Gift Planning

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