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# Charitable Gift Annuities

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## A Gift that Gives Back

Would you like to support Portland State University but are hesitant to do so because of the current market uncertainties? Perhaps you are concerned about being able to meet your future needs. Others donors who feel the same way have discovered the joy of supporting PSU through a charitable gift annuity.

A charitable gift annuity is a contract between you and PSU Foundation that provides advantages for both. You can make a gift and receive immediate financial benefits. By funding a charitable gift annuity you will provide valuable support to Portland State University Foundation and receive a charitable income tax deduction and fixed payments for your lifetime or the lifetime of a loved one.

Charitable gift annuities may be funded with cash, securities or property. The payout rate on a charitable gift annuity is a fixed rate based on the age of the donor at the time the gift is made. Payments may be made to one or two income beneficiaries.

## Summary of Financial Benefits

- Guaranteed fixed payments for life
- A portion of your payments may be nontaxable
- Charitable income tax deduction for a portion of the gift
- Reduced capital gains taxes

## Sample Annuity Rates\*

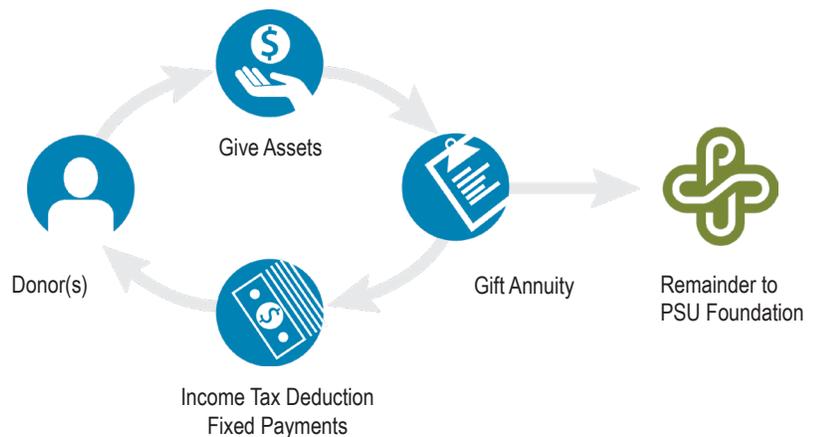
Minimum gift amount is \$20,000 and the minimum age is 65 years old.

Gift Amount	Age	Payment Rate	Annuity	Deduction
\$20,000	65	4.7%	\$940	\$6,192
\$20,000	66	4.8%	\$960	\$6,387
\$20,000	67	4.8%	\$960	\$6,875
\$20,000	68	4.9%	\$980	\$7,098

\* Based on rates recommended by the American Council on Gift Annuities (subject to change).

## EXAMPLE

Beth J., age 76, contributes \$20,000 cash and receives a lifetime annuity of \$1,200, of which \$944 is tax-free for approximately the first twelve years. She receives an income tax deduction of \$8,855 results in tax savings when she claims it.



“Planned gifts provide opportunities for individuals to make larger gifts to PSU than they might have thought possible during their lifetimes. By their very nature, planned gifts are essential to the long-term sustainability of the university, because they enable donors to create impactful legacies that invest in PSU’s future.”

— Mike Conway, Director of Gift Planning, PSU Foundation

## Benefits Include

- Guaranteed fixed payments for life. The annuitants you name will receive fixed annual payments for life, backed by the general resources of PSU Foundation. With attractive annuity rates, your cash flow may increase from what you currently receive from your asset.
- Federal and state income tax deduction. You will receive an income tax deduction in the year of your gift to be used for immediate tax savings. This is usually 20%-40% of your gift amount.
- Favorable capital gains tax treatment. If you fund the annuity with a long term appreciated securities (ones you have held for more than one year), you will incur tax on only part of the gain. If you name yourself as an annuitant, this tax will be spread out over many years. In other words, some of the capital gain is forgiven completely and the other portion is spread out over your life expectancy.
- Reduced estate costs. Your estate may enjoy reduced probate costs and estate taxes.
- Support Portland State University. You will have the satisfaction of knowing you are providing generous support that will help sustain Portland State University’s mission.

## NEXT STEPS

Please contact us to receive further information and assistance on charitable gift annuities, or to learn more about how your gift can help Portland State University.

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\* Because everyone’s situation is different, we encourage you to seek professional legal, estate planning, and financial advice before deciding on a course of action. This information does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice.



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By supporting the PSU Foundation with your philanthropic donations, you are helping support PSU’s mission to be a leading urban university and helping its students become successful and engaged community members.