Planned Giving

NYU Stern is committed to making the charitable giving process as flexible and convenient as possible. The School offers supporters a variety of giving options, including ways to plan giving to optimize your gift's impact and yield tax advantages.

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Gifts of Appreciated Stocks, Assets, Securities

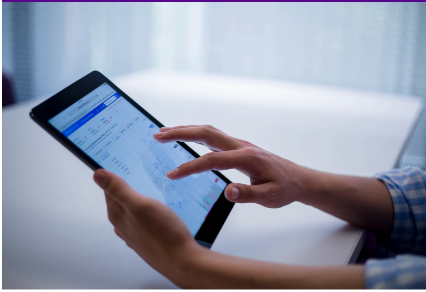
You can make your gift to Stern by contributing appreciated assets, such as stocks, bonds, mutual funds, or real estate.

Your tax advantages are maximized if you donate appreciated assets that you've owned for more than one year. You obtain an income tax charitable deduction for the full current market value of the asset, and you avoid the capital gains tax that you would have paid if you sold the asset outright.

You may deduct your total charitable gifts of appreciated property for the year for up to thirty percent of your adjusted gross income for that year. If your total charitable gifts of appreciated property for the year exceed 30 percent of your AGI, you may carry over the excess for up to five subsequent years.

Whether you hold your securities in certificate form, or in a brokerage account, we can provide simple instructions on making your gift of appreciated securities, including stock transfer forms and a form letter of instructions for your broker.

Download the form to initiate a gift of stocks, assets, or securities.



For more information or assistance, please contact the Office of Development and Alumni Relations at (212) 998-4161 or security.gifts@nyu.edu.

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Gifts through Wire Transfers

You can wire funds directly to NYU Stern. For proper donor recognition, wire transfer instructions must include donor's name and address, NYU allocation number if known or specify gift purpose.

1. Complete the Wire Transfer form and forward it to your financial advisor.
2. Please also forward a copy of this form to NewYork University's Office of Gift Administration via email at security.gifts@nyu.edu or fax at 212.995.4856.
3. If you have any questions, please contact Christina Hillman at 212.998.6959 or via email at security.gifts@nyu.edu.

Bank: **JPMorgan Chase**
270 Park Avenue
New York, New York 10017

ABA **#021000021**
Or SWIFT: **CHASUS33**

For Credit to: **NYU Daily Gift Account**
Account **# 134-692381**

Ref: **[DONOR'S NAME and GIFTPURPOSE]**

Download the form to initiate a wire transfer and optimize the gift receipting process

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Gifts of Real Estate

Real estate can be contributed outright or through a life-income gift. You can contribute your entire property or a fractional interest of it. You can even contribute your personal residence but continue to reside there for the rest of your life. This type of gift allows you to continue to enjoy your home without diminishing your standard of living, while obtaining a substantial current income tax charitable deduction.

EXAMPLE

Steven and Ruth, ages 73 and 68, own a home valued at $300,000. They make a gift of the home to Stern, while retaining the right to live there for the rest of their lives. While sustaining no change in their accustomed life-style they increase their cash flow, because the charitable gift of a future interest yields an immediate income tax charitable deduction of approximately $86,000.

For more information or assistance, please contact the Office of Development and Alumni Relations at (212) 998-4161 or giving@nyu.edu.

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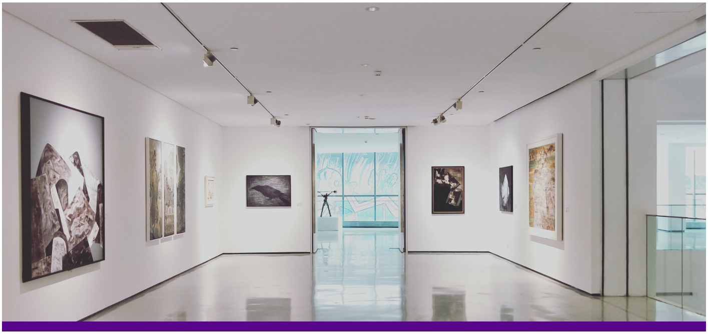
Gifts of Personal Property

You can make a gift to Stern in the form of tangible personal property, such as artwork, antiques, books, furniture, etc.

Your tax deduction will depend on the type of item you contribute and whether Stern will have an appropriate use for it.



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Life-income Gifts

You can make a gift to Stern that will pay you income, for life or for a number of years, after which the remaining gift assets will be used by the School for the purpose you specify.

<u>When does a life-income gift make sense?</u>
A life-income gift may be worthwhile if you want to make a gift but need to retain or increase the income you receive from your assets. It can be especially attractive if you own low-yielding but highly-appreciated securities, and want to increase your income while avoiding capital gains taxes. You also obtain a substantial income tax charitable deduction when you make your gift.

<u>How do life-income gifts work?</u>
Several distinct types of life-income gifts are available, providing a flexibility that permits you to fashion a gift arrangement that best fits your financial needs.

- You can structure your life-income gift to pay income to yourself and another person(s)
- Your gift can pay a fixed or variable income
- Your gift may include tax-free income in whole or part
- You can arrange for the income payments to commence immediately or at a future date, such as your planned retirement

A charitable life-income plan can also serve to maximize your family's income from the survivors' benefits of your qualified retirement plan. You can designate a charitable life-income plan as survivor beneficiary of your retirement plan. When the retirement assets pass into the life-income arrangement, the income tax is avoided and the estate tax is substantially reduced or eliminated. This combination of tax savings gives the charitable life-income arrangement a larger fund available for investment than if you directly designate your heirs as survivor beneficiaries of your retirement plan, resulting in much higher income for your heirs.

See next page for examples

Life-income Gifts: Examples

CHARITABLE GIFT ANNUITY EXAMPLE

Mary, an alumna 75 years of age, wants to support Stern but needs the income from her assets. She contributes $10,000 and receives a guaranteed income from Stern at a rate of 8.2 percent for the rest of her life. This amounts to an annuity of $820, of which $450 is tax-free. When she makes her gift, she obtains an income tax deduction of over $4,500.

CHARITABLE REMAINDER TRUST EXAMPLE

Walter and Amy, ages 77 and 74, want to increase their income from their stock holdings. They own stock worth $250,000, with a cost basis of $100,000. If they sell the stock outright and reinvest the proceeds, they would lose a substantial portion of their investment to capital gains taxes. However, when they transfer the stock to a Stern life-income trust, they avoid capital gains tax and have the entire value of their asset working to earn income for them. They select an income rate of 7 percent, increasing their earnings from $5,000 to $17,500. They also receive an income tax deduction of over $100,000.

DEFERRED GIFT ANNUITY EXAMPLE

Lois, age 50, wants to save more for retirement, but she has already contributed the maximum amount for the year to her firm's qualified retirement plan. She contributes $10,000 to Stern's deferred gift annuity, directing that income payments must commence when she turns 70. Stern will pay Lois a guaranteed fixed annuity of $2,170, for a rate of return of 21.7 percent. In addition, Lois obtains an income tax charitable deduction of about $6,000 in the year she makes the gift. With this gift, Lois increases her future retirement income. There is no limit on the amount Lois can contribute to this plan each year, and she can designate when the income payments will commence.

For more information or assistance, please contact the Office of Development and Alumni Relations at (212) 998-4161 or giving@nyu.edu.

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A Gift through Your Will or Living Trust

Your bequest to Stern, through your will or living trust, can take any of a number of forms. You can bequeath a specific dollar amount, or a portion of what remains after your obligations to others are fulfilled. You can designate your bequest to support Stern as a whole, or you can establish a permanent named fund for scholarships, program support, professorships, or the like.

A bequest or gift through a living trust yields estate tax advantages while perpetuating your annual support for Stern.

You can include NYU Stern in your will or living trust by using the following language:

"I give, devise and bequeath [assets/percent share of the residue of my estate] to the Leonard N. Stern School of Business of New York University, a New York education corporation with its principal office at 70 Washington Square South, New York, New York 10012."

Please contact the NYU Stern Office of Development and Alumni Relations at (212) 998-4161 or giving@stern.nyu.edu for additional draft language to ensure that Stern will fulfill your wishes as you intend. We can also provide information about estate planning and the benefits of naming Stern in your will.

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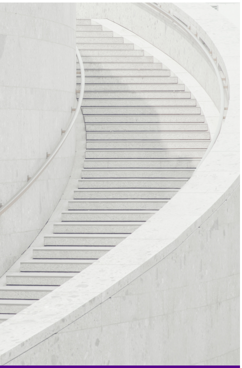
Gifts that Pass Assets to Heirs

You can make a gift to Stern that ultimately benefits your family and heirs with little or no tax penalty. This arrangement, the lead trust, is designed to pay income to Stern over a number of years.

At the end of the trust term, the remaining principal, including appreciation, passes to your children or to other designated heirs. Because the lead trust generates substantial estate tax savings, your heirs can receive a greater inheritance than if you gave or bequeathed the assets to them directly and fully subject to tax.

A similar type of lead trust can be designed to return the remaining trust assets to you. This type of lead trust generates a substantial income tax charitable deduction for the donor in the year the trust is established. The deduction is based on the income that the trust will pay to Stern in future years. This type of trust can be especially helpful in tax planning when the donor desires a large tax deduction to offset an unusually high taxable income in one year.



EXAMPLE

Annette is aware the current tax laws will substantially diminish the value of her children's inheritance. She transfers $250,000 to a Stern lead trust, instructing the trust to pay 5 percent each year to Stern for a period of 12 years. The assets are invested to earn a 10 percent annual total return. Over the trust term, Stern will receive a total of $124,000. After 12 years, Annette's children will receive $350,000 from the trust. If Annette had held the assets instead in the same investment, her heirs would receive less than $290,000, based on the current highest federal income and estate tax rates.

For more information or assistance, please contact the Office of Development and Alumni Relations at (212) 998-4161 or giving@nyu.edu.

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Gifts of Retirement Plan Assets

By naming Stern as survivor beneficiary of your qualified retirement plan, you can improve your estate's overall tax consequences and increase the amount passing to your children or heirs.

A qualified retirement plan works well for saving for retirement, but not for passing assets to heirs. Retirement plan assets are subject to multiple layers of taxation at the owner's death, in the form of federal and state estate tax as well as income tax. As a result, retirement assets are taxed much more heavily than other estate assets. If left to a non-spouse, taxes can claim in excess of 75 percent of a plan's accumulations.

However, careful planning for the disposition of retirement plan assets will avoid unnecessary tax costs. By naming a charity as survivor beneficiary of your retirement assets, the gift becomes completely exempt from estate tax, income tax, and generation-skipping transfer tax, permitting you to make your gift at very low actual cost to your heirs. If you intend to leave a legacy to Stern through your will, prudent planning might call for you to make your gift from retirement plan assets instead, leaving the lesser-taxed assets to your family.

EXAMPLE

Bernard, a widower, is planning his estate. He intends to bequeath $400,000 to Stern through his will. His daughter is named as survivor beneficiary of his IRA, which contains $400,000.

Bernard's gift to Stern will result in no estate or income taxes. The IRA will pass to his daughter without estate taxes because it falls within the estate unified credit amount, but it will be subject to income tax when the daughter receives it.

At a combined federal and state income tax rate of 35 percent, the daughter will receive only $260,000 from the IRA.

However, if Bernard rearranges his estate to bequeath $400,000 to his daughter through his will, and name Stern as survivor beneficiary of his IRA, then Bernard's gift to both Stern and his daughter will be free of all estate and income taxes. This tax-wise arrangement saves $140,000 in taxes for the benefit of Bernard's daughter.

This example demonstrates the critical importance of thinking about the survivorship designations of your retirement plans in light of your overall estate planning.

For more information or assistance, please contact the Office of Development and Alumni Relations at (212) 998-4161 or giving@nyu.edu.

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Gifts of Life Insurance

When properly arranged, life insurance offers an attractive way to leverage relatively low premium payments to make a major gift to Stern. If you no longer need all the life insurance that you own, you may want to name Stern as a beneficiary or contingent beneficiary. Any benefit Stern receives from your insurance will be excluded from your taxable estate.

By taking the additional step of naming Stern irrevocable beneficiary and owner of your life insurance policy, you obtain an income tax charitable deduction equivalent to either the policy's cash surrender value or replacement value. If additional premium payments are due, you can deduct those premiums as charitable contributions each year.

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