Sometimes investments just don't cooperate. Maybe it's the economy, your stock portfolio or simply low interest rates. It may be discouraging, especially if you need to stretch your dollars to maintain your way of life.

For our alumni and friends there is an attractive alternative. It's Lehigh's life income program—an arrangement that will boost your cash flow. One popular vehicle in this program is the charitable remainder trust.

**A charitable remainder trust is an excellent way to support Lehigh University while receiving income in return.**

**HOW IT WORKS**

You, along with a legal advisor, create the charitable remainder trust to fit your needs. The trust pays you income, which can be more than you get now from other investments. Then, the assets remaining in the trust after your lifetime support Lehigh's mission.

**MAKE A GIFT TO LEHIGH AND RECEIVE INCOME**

Ordinarily, appreciated securities you’ve owned for more than one year are ideal for funding a charitable remainder trust. You receive a tax-saving charitable deduction based in part on the full fair market value of your donation and you eliminate up-front capital gains tax on the appreciation. Even if your stocks have lost value in recent years, for tax purposes they are still appreciated if their current value is more than you originally paid for them. If you are not able to donate securities, however, you can contact us to learn about other giving opportunities.

**HOW YOU BENEFIT FROM A CHARITABLE REMAINDER TRUST**

- Receive income
- Obtain income tax savings

**FUNDING YOUR TRUST**

Ordinarily, appreciated securities you’ve owned for more than one year are ideal for funding a charitable remainder trust. You receive a tax-saving charitable deduction based in part on the full fair market value of your donation and you eliminate up-front capital gains tax on the appreciation. Even if your stocks have lost value in recent years, for tax purposes they are still appreciated if their current value is more than you originally paid for them. If you are not able to donate securities, however, you can contact us to learn about other giving opportunities.
4 STEPS TO CREATING A CHARITABLE REMAINDER TRUST

1. **DETERMINE THE PAYOUT RATE.**
   The rate of payment you select must be at least 5 percent of the trust asset’s value. Usually, the rate selected is 5 to 6 percent. If you would like Lehigh University to serve as trustee of your charitable remainder trust, the rate is determined jointly by you and the Lehigh University Treasurer’s Office at the time the trust agreement is prepared. For example, if you decide to fund a charitable remainder unitrust with $200,000 with annual lifetime payments equal to 5 percent of the fair market value, the payment in the first year will be $10,000. The amount of your payments is redetermined annually. If the value of the trust increases, so do your payments. If the value decreases, however, so will your payments.

2. **DETERMINE THE LENGTH OF THE TRUST TERM.**
   The term of your trust can be the lifetime of the beneficiaries you select or a period of up to 20 years.

3. **CHOOSE WHO RECEIVES THE TRUST PAYMENTS.**
   Your charitable remainder trust can make payments to you and, if you wish, other beneficiaries you choose, such as a spouse or a child. After the death of the final beneficiary, or a period of years, the remaining balance goes to support Lehigh University.

4. **DETERMINE WHICH ASSET TO DONATE.**
   Pinpoint whether you want to give cash, stocks or real estate. Appreciated property you’ve owned for more than one year is ideal because you receive a tax-saving charitable deduction based in part on the full fair market value of your donation, and you eliminate up-front capital gains tax on the appreciation.
HELP SHAPE OUR FUTURE AND RECEIVE PAYMENTS FOR LIFE

Have you ever wondered how to turn your appreciation for your Lehigh education into a legacy that will impact future generations?

Including the University in your long-term estate or financial plans is a testament to what you value most. And because there are several ways to accomplish this, you have the flexibility to fulfill your goals in a way that works best for you. One option, called a charitable gift annuity, allows you to support Lehigh’s mission and also receive fixed, dependable payments for life.

HOW IT WORKS

The concept of a gift annuity is simple. You make a donation using cash or marketable securities. In exchange for your gift, you receive fixed payments for life. Based on your age, the annuity rate of payment you receive doesn’t fluctuate with the stock market, interest rates or inflation. It is firmly set at the time of your gift and never changes. After your lifetime, the remaining balance is used to support Lehigh and its mission.

Bonus: You can defer the start of your payments into the future. Contact the Office of Planned Giving about either a deferred charitable gift annuity or a flexible deferred gift annuity.

YOUR BENEFITS

• You receive increased disposable income.
• You are eligible for a potential income tax deduction for a portion of the gift.
• A portion of your payment is income tax–free throughout your estimated life expectancy.
• In most cases, any long-term capital gains income can be reportable over your life expectancy.
• After the passing of the last beneficiary, the remainder, or residuum, of your gift will support our mission, helping to fulfill your philanthropic goals.

A SAMPLING OF GIFT ANNUITY RATES

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*Assumes a $10,000 gift. Based on annual payments and a 2.4 percent charitable midterm federal rate. Deductions vary based on income earned.
FUNDING A GIFT ANNUITY WITH STOCK

If you are retired and depend on stock dividends for income, consider funding a gift annuity with those stocks. That way, you’ll still receive income—in many cases, in higher amounts. Plus, the remaining capital gains that aren’t subject to tax now are typically spread throughout your estimated life expectancy. (Afterward, the entire payment is taxed as ordinary income.)

SEE YOUR BENEFITS
For an immediate illustration of how a gift annuity could benefit you, simply visit our planned giving website at plannedgiving.lehigh.edu/charitable-gift-annuities and submit a few details—you’ll see your benefits right away.

EXAMPLE
David, 70, currently owns $25,000 in stock that is producing low dividends. He purchased the stock several years ago for $15,000. He is looking for ways to increase his current income and support Lehigh. David establishes a $25,000 charitable gift annuity by donating his appreciated stock to us.

Amount given to Lehigh $25,000 in stock
Immediate charitable income tax deduction $10,380*
Annual payout for life $1,275
  Income tax–free portion** $566
  Capital gain income** $377
  Ordinary income $332

Even if your stocks have lost value in recent years, for tax purposes, they are still appreciated if their current value is more than you originally paid for them.

DID YOU KNOW?
Even if your stocks have lost value in recent years, for tax purposes, they are still appreciated if their current value is more than you originally paid for them.

Have us calculate the numbers for you! Return the enclosed reply card or contact us today at intower@lehigh.edu. We will be glad to provide you with a personalized projection.

California residents: Annuities are subject to regulation by the State of California. Payments under this agreement, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. South Dakota residents: Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.

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