

PLANNED GIVING QUICK REFERENCE GUIDE

BEQUESTS AND CHARITABLE DESIGNATIONS

HOW IT WORKS:

- You can make bequests through a will or living trust using cash, securities, real estate, or other assets.
- Charitable designations may also be made through a retirement plan (401(k), 403(b)), IRA, or life insurance policy by making Moravian University a fractional or total beneficiary, or you may designate Moravian University as the owner of a new policy.
- The bequest or charitable designation can be for a specific purpose in a program, endowed funds, research, scholarships, or professorships, or it can be unrestricted (to be directed to the area of greatest need).

KEY FEATURES AND BENEFITS:

- It just takes a simple designation in your will, trust, retirement plan, or life insurance policy and costs nothing during your lifetime.
- Bequests are revocable and are not payable until death. You have the comfort of knowing that you can amend or revoke a charitable bequest if your circumstances or family needs change.
- Bequests can be combined with lifetime gifts for immediate impact or made irrevocable by signing a binding pledge if you would like to be recognized now.

CHARITABLE GIFT ANNUITIES (IMMEDIATE AND DEFERRED)

HOW IT WORKS:

- You contribute cash or securities (\$10,000 minimum gift when you are age 65 or older) to Moravian University; in exchange, Moravian University pays you and/or another individual (“the annuitants”) a guaranteed fixed annuity (in quarterly payments) for the remainder of your lifetime(s).
- The annuity payout rate is determined by the age(s) of the annuitant(s)—one or two annuitants.
- You receive an income tax charitable deduction at the time the annuity is established; the deduction is equal to the present value of what is expected to pass to Moravian University.

- It is also possible to defer annuity payments until a specific date in the future (\$5,000 minimum gift when you are age 35 or older, with payments beginning when you are age 60 or older).

KEY FEATURES AND BENEFITS:

- A simple agreement that can increase your cash flow, this gift provides guaranteed fixed payments for life.
- Lifetime annuity payments, based on age, may be two or three times higher than your cash return on low-earning securities or CDs.
- If you fund the gift annuity with appreciated securities, no upfront capital gains tax is due on the transfer, and the entire amount of the gift can be put to work to generate the annuity payments.
- You can defer your payments until a future date, such as retirement (minimum one year). Because of the delay of payments, a deferred gift annuity offers donors a higher payout rate and a larger charitable income.

CHARITABLE REMAINDER TRUSTS (ANNUITY TRUST OR UNITRUST)

HOW IT WORKS:

- You transfer cash, securities, or real estate (\$100,000 minimum gift) to establish one of two basic types of trusts administered by Moravian University.
- A charitable remainder annuity trust pays a fixed amount annually for as long as the trust term lasts (lifetime or term of years). The payment must be at least 5 percent of the value of the trust assets when it is established.
- A charitable remainder unitrust differs in that the payments are variable, based on a fixed percentage of the unitrust’s assets as revalued each year for as long as the trust term lasts (lifetime or term of years). The payment must be at least 5 percent of the trust’s value, revalued annually.

MORAVIAN UNIVERSITY

- You receive an income tax charitable deduction at the time the trust is established; the deduction is equal to the present value of the remainder gift to Moravian University.
- It is also possible to reinvest payments into the trust or gift them outright to a benefiting program or fund.

KEY FEATURES AND BENEFITS:

- These trusts can be a great tool for gifting assets tax-free and receiving income for life; the remaining assets go to Moravian University.
- The trust provides steady cash flow and can be more beneficial than keeping an asset or selling it outright.
- Because unitrust payments are linked to the value of the trust each year, given reasonable investment guidelines and performance, beneficiaries can expect their share in the value of the trust to grow gradually over time.

CHARITABLE LEAD TRUSTS

HOW IT WORKS:

- You transfer assets (cash, publicly or privately held securities, business or limited partnerships, or income-producing property) to Moravian University as trustee (\$500,000 suggested minimum).
- The trust then makes annual payments to the University for a term of years and/or your lifetime(s).
- At the end of the trust term, the remaining assets in the trust (including investment growth) are distributed to beneficiaries, typically your heirs, with little or no gift or estate tax consequences.

KEY FEATURES AND BENEFITS:

- You greatly reduce or avoid estate tax on trust assets passing to family if some trust income goes to Moravian University for a few years.
- Your family can often receive more from an estate plan containing a lead trust than they could from an outright bequest from the donor.
- In some cases, the income term can be set long enough and the payout rate set high enough to “zero out” gift tax.
- The lead trust is an attractive gift vehicle for appreciating assets because the appreciation in value of the trust assets is not subject to estate or gift tax.
- You have the singular opportunity to be involved with the Moravian University students and programs benefiting from your gift, and to experience your legacy in action.

LET US HELP YOU PLAN.

The Department of Development & Alumni Engagement is available to answer any questions and provide you with a confidential, no-obligation illustration to show how a planned gift would benefit you and your specific situation. As with any charitable gift agreement, we encourage you to consult with your financial adviser as well.

Call us today toll-free at 800-429-9437, inquire via email at plannedgiving@moravian.edu, or visit our planned giving website at moravian.edu/giving/planned-giving.

RETAINED LIFE ESTATE

HOW IT WORKS:

- You deed your residence to Moravian University but retain the right to live in the property for your lifetime(s).
- At the end of your lifetime(s), Moravian University becomes the 100 percent owner of the property; Moravian University will put the property up for sale and use the proceeds to support the purpose you previously designated.
- You receive an income tax charitable deduction at the time the property is deeded to Moravian University; the deduction is equal to the present value of the remainder interest in the residence.

KEY FEATURES AND BENEFITS:

- You can deed your home to Moravian University, save taxes with a current deduction, and still use the property for the rest of your life.
- A retained life estate allows you to make a significant gift using what may be the most valuable asset you own without disturbing your living arrangements or cash flow.

THE CORNERSTONE SOCIETY

HOW IT WORKS:

- Moravian's Cornerstone Society recognizes individuals who have made a future gift commitment for the benefit of Moravian University and/or the Moravian Theological Seminary. This includes future gifts established through a will provision, charitable trust, or a percentage of an asset such as a life insurance policy, brokerage account, or retirement fund.

KEY FEATURES AND BENEFITS:

- You will join a distinguished group of Moravian University alumni and friends who have chosen to make supporting Moravian University an important part of their personal and philanthropic legacy.
- Cornerstone members are honored at special receptions and events each year in appreciation of their foresight.

Moravian University Development & Alumni Engagement

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