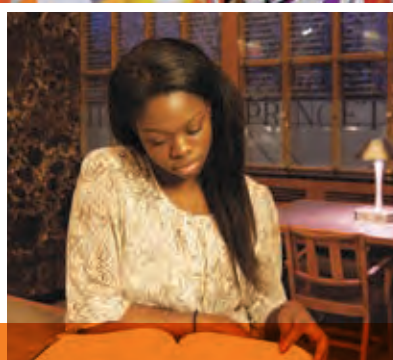


A PRINCETON GUIDE TO ESTATE PLANNING



1746 SOCIETY PRINCETON UNIVERSITY



TABLE OF CONTENTS

Forever Princeton: Your Support Matters	1
Your Need to Create an Estate Plan	2
Strengthen Princeton With the Life You've Built	3
Choose the Gift Option That Matches Your Goals	4
A Simple Way to Make a Difference at Princeton	6
Make Your Gifts Go Further	8
Give and Receive Payments in Return	10
Boost Your Income and Support Princeton	12
Give Wisely and Cut Taxes	14
Maximize Benefits for You and Princeton	15
Tax-Smart Ways to Give to Princeton	16
You Can Lead the Way: Where to Go From Here	17



FOREVER PRINCETON: YOUR SUPPORT MATTERS

Planned gifts to Princeton make it possible for anyone to create a legacy—no matter what his or her financial situation.

Planned gifts, large and small, have advanced Princeton's mission and are vital to sustaining its academic excellence. A planned gift dating back to 1790 supports nine scholarship students today.

Your generous gifts provide scholarships and endowed professorships that are central to the intellectual vitality of our University. We're able to retain and attract world-class scholars and researchers, enhance the classroom environment, and promote student opportunities that encourage personal development—the hallmarks of study at Princeton.

The Benefits of Giving

The best gift plans advance your charitable goals in a way that improves your financial and tax situation. Consider the advantages of various planned gifts:

- Deduction on current income tax
- Elimination or deferral of long-term capital gains tax
- Increased income and rate of return

Of course, your family's financial needs come first. A planned gift can provide for Princeton's teaching and research needs later, while it provides for your needs now.



Planned gifts are a way to help yourself, your family, and Princeton.

Your Giving Options

Meaningful support to Princeton is easy with a planned gift, which includes gifts of cash, securities, real estate, tangible personal property, and life insurance.

We encourage you to explore the many options for estate planning outlined in this guide.

With your legal and tax advisors, Princeton can help you create an estate plan that blends your philanthropic giving with your financial needs and family priorities.

YOUR NEED TO CREATE AN ESTATE PLAN

WHY PLANNING FOR THE FUTURE IS SO IMPORTANT

In its most basic form, estate planning helps you decide what will happen to your possessions and how you'll provide for your heirs. When thoughtfully created, your estate plan should protect what you've worked so hard to earn and help you make a more meaningful impact after your lifetime.

Perhaps the most important reason for making an estate plan, however, is that it gives you the peace of mind that you're doing everything you can for those you care about most. **We hope this book helps you think about your options, including how your generosity can contribute to Princeton's commitment to excellence.**

This guide book can be used as a starting point when creating a new estate plan and can provide helpful tips when you update your existing plan.

Setting Estate Planning Goals

No two estate plans are identical; your plan should reflect your own wishes and goals. Keep these three issues in mind when considering your plan:

- Whom do you want to benefit?
- Do you want to keep taxes and administration costs to a minimum so your family and charities receive your assets intact?
- What charitable organizations do you want to remember?

The Tools of Estate Planning

The building blocks of estate planning are written documents that precisely indicate your intentions and provide the powers to accomplish them. Your options may include:

- Wills and trusts
- Durable financial and health care powers of attorney
- A living will
- Beneficiary designation coordination
- Retirement plan assets and IRAs
- Life insurance policies
- Payable-on-Death and Transfer-on-Death beneficiary designations
- Digital estate plan
- Buy-sell agreements

Get Started

You may rely solely on an attorney or financial advisor to help create your estate plan, or choose to tackle some of the work yourself. The first step of every estate plan is to compile an inventory of personal data. The next step is to consult an attorney who specializes in estate planning.



STRENGTHEN PRINCETON WITH THE LIFE YOU'VE BUILT

Creating a will, investing in retirement plans, and purchasing life insurance are all wise ways to help prepare for the future. These options also provide easy, flexible ways to support Princeton.

- **REMEMBER PRINCETON IN YOUR WILL OR LIVING TRUST.** Including a gift in your will or living trust, known as a bequest, allows you to offer future support without giving up assets today. You can leave Princeton a specific asset, a certain dollar amount, or a percentage of your estate.
- **NAME PRINCETON AS BENEFICIARY OF YOUR RETIREMENT ACCOUNT.** When you name an individual other than your spouse as beneficiary of your retirement account, that person will be exposed to income taxes. In addition, if your estate is subject to estate taxes, the combined income and estate tax bill can reduce your retirement plan by more than half. By naming Princeton as the beneficiary, your estate receives a charitable deduction and the University, as a tax-exempt organization, will not pay income tax. This allows you

to put the full amount of your gift to use to transform the lives of students and build Princeton's capacity to conduct critical research.

- **LEAVE PRINCETON ALL OR A PORTION OF YOUR LIFE INSURANCE.** Many people overlook life insurance as a giving option. You can name Princeton as beneficiary of a percentage of your existing life insurance policy.

■ SHARE THE NEWS

If you're planning to make Princeton one of your beneficiaries, we encourage you to tell us now. That way, we can thank you and make sure your wishes are carried out as you intend. Contact the Office of Gift Planning at 609.258.6318 or 1746soc@princeton.edu today.