

AUTUMN/WINTER 2022

Foresight

A Guide to Financial &
Charitable Gift Planning

UCSF



**Inside: Common Financial Scenarios and Charitable Actions
You Can Take at Year-End**

Foresight

A Guide to Financial & Charitable Gift Planning

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For more information on making a planned gift, please complete and return the attached reply card, visit our website, or reach us using the contact information below.

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Photos: Noah Berger and Susan Merrell

The information contained herein is offered for general informational and educational purposes. The figures cited in the examples and illustrations are accurate at the time of writing and are based on federal law as well as IRS discount rates that change monthly. State law may affect the results illustrated.

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We encourage you to consult your attorney about the applicability to your own situation of the legal principles contained herein.

MESSAGE FROM THE EXECUTIVE DIRECTOR:

If you're like most of us, you do most of your charitable giving at the end of the year. In this issue of our *Foresight*, we help you assess your current situation so you can make the best use of your year-end giving opportunities.

In our accompanying guide, ***Your Guide for 2022 Gift Planning: 4 New Developments You Must Know About Before Making a Year-End Gift***, we further discuss several recent legal and economic developments that may impact your financial planning. For example, we consider this year's equity market volatility, tax adjustments for higher inflation, and increased annuity rates. With each of these topics, and others, we also include strategies to help you make the most of your current situation.

Please contact me if I can be of service as you consider your 2022 giving options.

With gratitude,

Gardner Trimble
Executive Director, Gift & Endowment Planning

Common Financial Scenarios Charitable Actions You Can Take

Why So Many Give at Year-End

Approximately one-third of all charitable gifts are made in December, and November is in second place. Why are so many gifts delayed until late in the year?

One reason is that the holidays evoke a spirit of generosity. People think more about others during this period and are more inclined to give.

Another reason is that a person's financial situation may not be known until late in the year. For example, it may not be until December that a person is able to project income-tax liability and determine how it would be affected by a charitable deduction.

Determination of the type, amount, and timing of your gifts begins with taking stock of your situation. To assist you with such an assessment, this newsletter describes some situations with which you might identify and suggests some possible actions.

For a more detailed description of tax rules and opportunities regarding your gift planning this year, please return the reply card to request your complimentary copy of ***Your Guide for 2022 Gift Planning: 4 New Developments You Must Know About Before Making a Year-End Gift.***

Which Scenario Fits You?

? After you and/or your spouse total up your itemized deductions, you determine that it will be better to claim the standard deduction.

If your itemizable deductions are just under the standard deduction, you might consider bunching some of your charitable gifts so that they can be claimed in a single year. You itemize deductions on your return for the year they are bunched and then claim the standard deduction for other years.

? You have some securities, especially ones that you purchased in the last couple of years, that are under water. You think that some of these might rebound, but you are not sure about others.

Follow a different strategy if you want to make a gift using depreciated securities. Don't give the securities themselves, as you would if they were appreciated. Instead, sell the securities and claim an investment loss and a charitable deduction for their current value.

Portfolios and Charitable Tax Take at Year-End

? During the past year your portfolio of securities has declined in value, but because of the performance of the market over the past decade, most of your securities are still worth considerably more than what you initially paid for them. Thus you would incur considerable tax on the capital gain if you decide to adjust your portfolio, divesting yourself of certain problem securities that you think may not perform well in the future.

If you are considering a charitable gift this year, contribute some of the appreciated securities that you think it is time to sell. You will receive two benefits—a deduction for the current value of the securities (assuming that you have owned them for more than a year) and no tax on the capital gain. Even if you don't itemize deductions, you still avoid the tax on the gain that you would have incurred with a sale.

? You would like to make a more substantial charitable gift, but you do not think you can afford to lose the income from any of your investments—especially now, when you are concerned about the direction of the economy.

Actually, it is possible to make a gift and receive payments for life. In many instances your income will actually increase, and you may reduce the income tax you are currently paying. One of the most popular of these “life-income” gifts is the gift annuity, and we are pleased to report that, as of July 1, the payments that you would receive from a gift annuity substantially increased. You do not have to worry about future changes in the rates, for the amount that is paid to you is locked in for life and never changes.

? You are over the age of 70½ and you have an IRA, the IRA distributions plus other sources of income are more than you need for living expenses.

If you are 70½ or older, you can authorize your IRA administrator to make distributions (not to exceed \$100,000 annually to all charities combined) from your IRA to one or more charities. The amount transferred is known as a qualified charitable distribution (QCD). It counts toward the mandatory annual distributions from the IRA, which currently begin at the age of 72, and it is not included in taxable income. Since it is not included in income as would be the case if the distribution were made to you, it is equivalent to a charitable deduction. Thus such a gift is beneficial even if you do not itemize deductions.

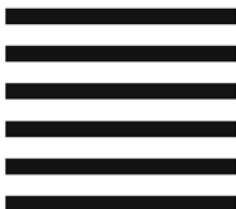


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An Invitation to Join

We invite you to join the Heritage Circle if you have made a commitment to support UCSF through a gift in your will or other planned gift. Benefits of membership include:



- Invitations to special events, including the biennial tea hosted by the Chancellor
- Periodic updates on new research and clinical findings
- Opportunities to meet remarkable students and preeminent UCSF faculty
- Recognition in donor publications (if desired)

To learn more about how to join the Heritage Circle, please contact the UCSF Office of Gift & Endowment Planning at 415-476-1475 or email us at giftplanning@ucsf.edu.

Get This Complimentary Guide to Help with Your Year-End Planning

1. Return the attached reply card
2. Call the Office of Gift & Endowment Planning at 415-476-1475
3. Email giftplanning@ucsf.edu
4. Visit ucsf.giftplans.org/Year-End

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Return This Card

- Please send me a complimentary copy of *Your Guide for 2022 Gift Planning: 4 New Developments You Must Know About Before Making a Year-End Gift*.
- I would like information about making a gift to UCSF that would also provide income for me and/or others.
- I would like information about including a gift to UCSF in my will or living trust.
- I have already included a gift to UCSF in my will or living trust and would like to notify your office.



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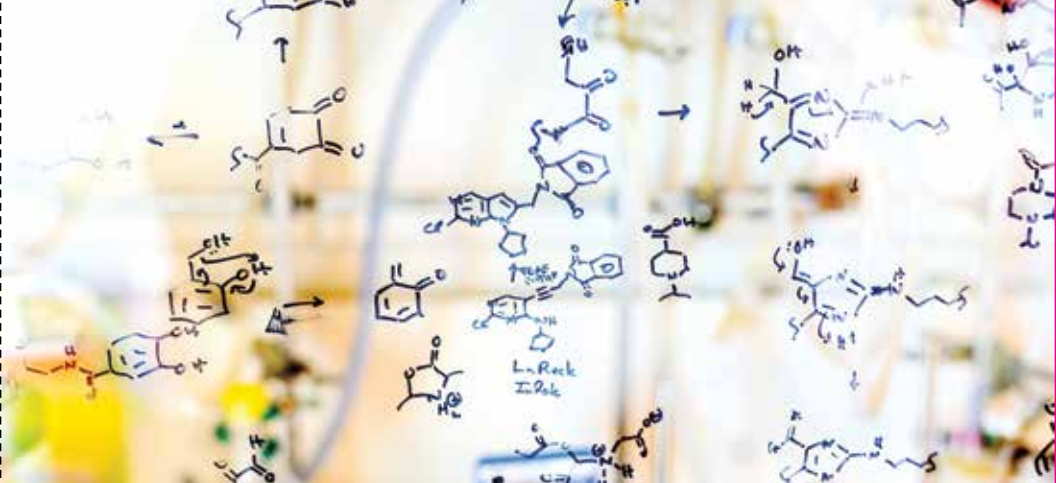
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Recent Estate Gifts

An anonymous married couple gave an unrestricted gift of \$1,000,000 to the UCSF School of Pharmacy. One of these donors was an alumnus of the UCSF School of Pharmacy, and both were members of the UCSF Heritage Circle.

San Francisco resident **Joan E. Catelli** included a gift of \$100,000 from her living trust to support research into Von Willebrand Disease.

Camille Legeay Cook of Washington, D.C., left \$50,000 to the UCSF School of Nursing to support graduate students in pediatric nursing. Ms. Cook was a UCSF School of Nursing alumna and faculty member who was a longtime mentor to School of Nursing educators.

UCSF School of Dentistry alumnus **Lloyd Deck** of Walnut Creek, California, made a \$1,546,748 bequest to support the UCSF School of Dentistry and oncology.

Two Salem, Oregon, residents left \$100,000 to the UCSF Benioff Children's Hospital Oakland in their charitable remainder unitrust.

For more information on how to make a planned gift, please call us at 415-476-1475 or visit us at giftplanning.ucsf.edu.

Request Your Complimentary Guide, Your Guide for 2022 Gift Planning: 4 New Developments You Must Know About Before Making a Year-End Gift



Your Guide for 2022 Gift Planning:
4 New Developments You Must Know
About Before Making a Year-End Gift

Your complimentary guide will show you how to:

- Avoid capital-gain taxes while retaining the potential for income growth.
- Reap tax advantages by using retirement funds for charitable giving.
- Make lifetime payments to a loved one using a charitable remainder trust.
- Meet current market and tax conditions in the most advantageous ways.

To request our complimentary guide, simply return the attached reply card or visit ucsf.giftplans.org/Year-End

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