



# Transform. Enrich. Leave a legacy.

## WHAT IS PLANNED GIVING

Planned giving is also referred to as gift planning or legacy giving. It enables philanthropic individuals to make larger gifts to charitable organizations – like Princeton Day School – than they could make from ordinary income. Some planned gifts provide life-long income to the donor. Other gift plans use estate and tax planning to provide for charity and heirs in ways that maximize the gift and/or minimize its impact on the donor's estate. There are many ways you can leave a legacy to Princeton Day School.

## WELCOME TO PRINCETON DAY SCHOOL'S MAY MARGARET FINE SOCIETY

Please let us know when you have included Princeton Day School in your plans. That's all we need to welcome you as a member of the May Margaret Fine Society. Note: If you prefer to remain anonymous, we will keep your name and gift in strict confidence.

The May Margaret Fine Society: Established in 1998, the May Margaret Fine Society recognizes those loyal alumnae/i, parents and friends who have informed the School that they have made provisions for Princeton Day School in their estate plans. Including the School in their will, establishing a charitable trust while maintaining life income, or naming the School as a life insurance beneficiary are some of the ways these individuals have helped secure the long-term strength of Princeton Day School.

## WAYS TO MAKE A GIFT THROUGH YOUR ESTATE

**Gifts by Will** – Naming the Princeton Day School as a beneficiary of your will can, when properly planned, reduce the rate at which your estate is taxed. You can make a charitable bequest of a specific dollar amount, a percentage of your estate or the remainder of your estate after planning to care for your family and friends.

Here is sample legal language to share with your attorney to make a gift in your will or living trust.

**Specific bequest:** Name Princeton Day School to receive a specific dollar amount from your estate:

*I give and devise to the Princeton Day School, a nonprofit corporation currently located at 650 Great Road, Princeton, New Jersey 08540, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to be used for its general support, as the school's Trustees shall determine to be in the best interests of Princeton Day School (or for a specific use, such as faculty support or financial aid, or for a specific academic program, such as the Arts Department).*

**Residuary bequest:** Name Princeton Day School to receive a percentage of the remainder of your estate or your entire estate after other bequests and estate expenses and taxes have been satisfied:

*I give and devise to the Princeton Day School, a nonprofit corporation currently located at 650 Great Road, Princeton, New Jersey 08540, \_\_\_\_\_ Percentage (\_\_\_\_%) (or all) of the residue of my property and estate, to be used for its general support, as the school's Trustees shall determine to be in the best interests of Princeton Day School (or for a specific use, such as faculty support or financial aid, or for a specific academic program, such as the Arts Department).*

**Gifts of Retirement Assets:** A unique and often overlooked way to make a charitable gift is to name Princeton Day School a beneficiary of all or a portion of a retirement plan, such as an IRA, 401(k), 403(b) or other qualified retirement savings plans. Under current tax law, retirement assets that are bequeathed to heirs or individuals other than your spouse are often severely reduced by estate and income taxes. Princeton Day School's charitable status avoids the heavy taxes your heirs could incur if they receive your retirement assets.

**Gifts of Appreciated Securities** – You can fund a planned gift with appreciated assets instead of cash and maximize your tax savings. For securities held longer than one year, you can deduct their full fair market value, regardless of what you originally paid for them. You also avoid paying capital gains tax.

**Gift of Real Estate** – By making a gift of real estate, you can leverage a significant asset for your benefit and Princeton Day School. You can save on taxes, increase your income, and/or reduce the burden of maintaining or selling your property, and make a significant gift to Princeton Day School. Gifts can be made with residential, commercial, or undeveloped real estate.

**Charitable Lead Trust** – A charitable lead trust can allow you to pass wealth to your children or grandchildren with minimized or no taxation. The trust provides payments to Princeton Day School for a period that you determine. When the trust expires, the principal is returned to you or transferred to your heirs, possibly with significant tax savings.

**Charitable Remainder Trust** – A charitable remainder trust may be funded with cash or appreciated assets such as securities, real estate or other property. You and other beneficiaries can receive income for life or for a set number of years. You receive an immediate charitable income tax deduction, immediate income and relief from tax on capital gain. When the trust expires, the assets remaining in the trust go towards supporting the mission of Princeton Day School.

**Gift of Life Insurance** – Life insurance is a versatile financial planning tool, and can also be a convenient way to give to Princeton Day School's facilities, faculty, or program of your choice. You have two options:

1) You give your policy to Princeton Day School. As the policy owner, the school will either cash in your policy and use the proceeds, or maintain the policy until it ends and then receive its death benefit. This gives you the satisfaction of making a generous gift while having the benefit of no change in your cash flow and saving taxes.

2) You can designate Princeton Day School as a beneficiary of your policy. When your policy ends at your death, the school will receive some or all of your policy's benefit, as you have designated. This arrangement gives you the satisfaction of making a generous gift to the school while having the benefit of no change in your cash flow and saving taxes. You also retain the ability to change your mind should circumstance in your life change. This added flexibility is only found in option two.

## **INFORMATION FOR ESTATE ATTORNEYS AND ADMINISTRATORS**

Legal name is: Princeton Day School

Tax ID number is: 21-0727645

Address: Princeton Day School, Advancement Office, 650 Great Road, Princeton, NJ 08540

**THANK YOU** for considering such a meaningful gift to Princeton Day School. If you have further questions, please contact: Courtney Hodock in the Advancement Office at [chodock@pds.org](mailto:chodock@pds.org) or (609) 924-6700 ext. 1251.

*Note: This information sheet provides examples for illustration purposes only and is not intended as legal or tax advice. We encourage you to consult with your own legal and tax advisors in order to take advantage of these charitable giving opportunities.*