

MILLS

A Guide to Planned Giving

# your Mills your legacy



**M**ILLS COLLEGE, a thriving liberal arts college for women with graduate programs for women and men, is a very special institution. Since Mills' founding in 1852, generations of alumnae and friends have supported the College in order to ensure that the Mills experience would be available for today's students. Planned gifts, such as bequests and charitable trusts, have been important to Mills' growth and longevity.

Planned giving is one way alumnae give back to Mills in recognition of their transformative college experience. It is also a way to invest in what you love about Mills and create a legacy for future students.

### **What is planned giving?**

Planned giving can help you meet your philanthropic and estate planning goals. Through planned gifts, you can provide for loved ones and support institutions that are important to you at the same time.

The word *planned* indicates that this type of giving will have a future impact on your estate and on the charitable organization your gift will ultimately benefit. It also suggests that a donor's decision to make a planned gift is usually made with the counsel of a financial planner, estate or tax attorney, or CPA as well as your heirs.

The easiest type of planned gift you can make is a *bequest*. Including a bequest to Mills in your will or living trust may allow you to make a more substantial charitable gift than possible during your lifetime.

A *life income gift* is another type of planned gift. In this case, you make a gift to Mills, receive income during your lifetime, and leave the remaining value of your gift for Mills' benefit.

Donors typically receive tax benefits for planned gifts. Such tax benefits may enhance your financial situation and/or that of your heirs—while leaving a legacy for Mills.

### **How can Mills help?**

The information that follows is intended to provide you with a general overview of some popular ways you can plan a gift that benefits you, your heirs, and Mills College. Before making such a gift, be sure to consult with your attorney, accountant, or other advisor on legal and tax-related matters that affect your specific situation.

Staff in Mills' Office of Institutional Advancement are available to assist you at any stage in your gift planning. With complete confidentiality and no obligation to you, we can help you explore your philanthropic goals and how your legacy can benefit Mills. We can:

- Provide educational materials about planned giving options;
- Explain how different types of planned gifts work;
- Offer customized illustrations of how a planned gift can benefit you, a loved one, and the College;
- Assist you in crafting bequest language that will help you accomplish your charitable goals while ensuring that the College will be able to use your bequest as you intend.

If you have already included Mills in your estate plans and have not yet informed Office of Institutional Advancement staff, please contact us and allow us to thank you personally. We would also like to welcome you into the Aurelia Henry Reinhardt Society, which recognizes Mills' planned gift donors. Please see the back cover for contact information.

## How planning your legacy can help you meet your financial and philanthropic goals

Use the chart below to identify types of planned gifts that might be best for you, based on what you wish to accomplish. This chart includes many popular options; for more, contact staff in the Office of Institutional Advancement.

Your Goal	Your Planned Giving Options
Maximize the impact of your charitable gift	<ul style="list-style-type: none"> <li>Any of the below</li> </ul>
Maintain control of your assets throughout your lifetime	<ul style="list-style-type: none"> <li>Bequest in your will or living trust</li> <li>Retirement plan gift</li> </ul>
Increase your income today and decrease income taxes	<ul style="list-style-type: none"> <li>Charitable gift annuity</li> <li>Charitable remainder trust</li> </ul>
Receive fixed income during your lifetime	<ul style="list-style-type: none"> <li>Charitable gift annuity or deferred charitable gift annuity</li> <li>Charitable remainder annuity trust</li> </ul>
Qualify for a charitable tax deduction now	<ul style="list-style-type: none"> <li>Charitable gift annuity or deferred charitable gift annuity</li> <li>Charitable remainder trust</li> <li>Retained life estate</li> </ul>
Change beneficiaries at any time	<ul style="list-style-type: none"> <li>Bequest in your will or living trust</li> <li>Retirement plan gift</li> </ul>
Shield your heirs from paying income tax on their inherited assets	<ul style="list-style-type: none"> <li>Retirement plan gift</li> </ul>
Minimize or bypass capital gains tax upon liquidating appreciated asset(s)	<ul style="list-style-type: none"> <li>Charitable gift annuity</li> <li>Charitable remainder trust</li> <li>Charitable lead trust</li> <li>Retained life estate</li> </ul>
Leave more for your beneficiaries by reducing or limiting your exposure to gift and estate tax	<ul style="list-style-type: none"> <li>Charitable remainder trust</li> <li>Charitable lead trust</li> <li>Retirement plan gift</li> </ul>

## Overview of select types of planned gifts

Use the chart below to learn more about the planned giving options you identified on the previous page.

We recommend you consult your financial planner, estate or tax attorney, or CPA as well as your heirs before taking action. For more information on making a bequest to Mills, see page 5. Please contact staff in the Office of Institutional Advancement for details about bequests and the other planned gifts listed below. Minimum contributions may be required for some types of planned gifts.

Your Gift	How It Works	Your Benefits
<b>Bequest</b>	You name Mills College as a beneficiary through your will or living trust.	<ul style="list-style-type: none"> <li>You maintain full control of your assets for life.</li> <li>You can change the designation of your bequest at any time.</li> <li>You may reduce the taxable amount of your estate or trust at death.</li> </ul>
<b>Retirement Plan Gift</b>	You designate Mills College as a beneficiary in your IRA, 401(k), or 403(b) retirement plan. You will need Mills' tax identification number: 94-1156566.	<ul style="list-style-type: none"> <li>It's simple and you can change beneficiaries easily.</li> <li>Your heirs avoid income tax on distributions from your plan.</li> <li>Your retirement plan assets are transferred to Mills tax-free.</li> <li>The amount of your estate subject to estate taxes is lowered.</li> </ul>
<b>Charitable Gift Annuity</b>	<p>You transfer cash or publicly traded securities to Mills in exchange for our guarantee to pay you fixed income for life or a term of years.</p> <p>Annuity rates are based on your age: the older you are, the higher your rate.</p>	<ul style="list-style-type: none"> <li>You have a reliable source of income for life or a term of years.</li> <li>Your payments are predictable and guaranteed.</li> <li>A significant portion of your annuity income is exempt from income taxation.</li> <li>Your gift qualifies for a charitable tax deduction.</li> <li>Gifts of appreciated securities partially bypass capital gains tax.</li> </ul>
<b>Retained Life Estate</b>	<p>You give all or a percentage of your home to Mills and continue to live in it for the rest of your life.</p> <p>You maintain the property and pay property taxes.</p>	<ul style="list-style-type: none"> <li>You receive an immediate charitable tax deduction.</li> <li>You may continue to live in your home.</li> </ul>

Your Gift	How It Works	Your Benefits
<p><b>Deferred Charitable Gift Annuity</b></p>	<p>A deferred charitable gift annuity is similar to the charitable gift annuity on page 3, but you defer your income payments for a year or more, which increases your annuity rate.</p> <p>Your annuity income is higher not only because your rate is higher but also because your gift increases in value during the deferral period.</p> <p>Your charitable income tax deduction is greater because the maturity period is shorter, which increases the charitable benefit to Mills.</p>	<p>In addition to the benefits associated with the charitable gift annuity, a deferred charitable gift annuity can be a source of retirement income, yet you qualify for an immediate charitable income tax deduction while you may still be working and earning income.</p>
<p><b>Charitable Remainder Trust</b></p>	<p>You transfer cash or property to an irrevocable charitable trust, either a charitable remainder unitrust or a charitable remainder annuity trust. The trust sells your property tax-free and provides you—or you and a second beneficiary—with income for life or a term of years. Mills receives the remainder of the trust when the trust terminates.</p> <p>You may set up a charitable remainder trust for the benefit of a loved one through your will or living trust.</p> <p>Mills may accept trusteeship when the College is named primary remainder beneficiary.</p>	<ul style="list-style-type: none"> <li>● Funding a charitable remainder <i>unitrust</i> with appreciated property, such as securities, real estate, or a business, exempts you from capital gains tax on these assets.</li> <li>● You receive an immediate income tax deduction.</li> <li>● Income from a charitable remainder <i>unitrust</i> is based on a percentage of the trust's annual value and may fluctuate.</li> <li>● A charitable remainder <i>annuity trust</i>, on the other hand, pays a fixed income regardless of market fluctuations.</li> <li>● A charitable remainder trust lowers the amount of your estate subject to estate taxes.</li> </ul>
<p><b>Charitable Lead Trust</b></p>	<p>You transfer assets into a lead trust. The trust pays a fixed income to Mills for a term of years.</p> <p>At the end of the term of years the trust assets are distributed to your named beneficiaries.</p>	<ul style="list-style-type: none"> <li>● Assets and appreciation pass on to your family with reduced or possibly no exposure to gift or estate tax.</li> <li>● You may receive a charitable tax deduction when you transfer assets into the lead trust.</li> </ul>

## Bequests

Bequests—both large and small—have helped shape the Mills College we know today. A bequest is the simplest type of planned gift you can make. You name Mills in your will or trust, which identifies how you want your estate or trust distributed at the time of your death. You maintain complete control over your assets and you can change your instructions for their ultimate distribution at any time.

Benefits associated with giving through a bequest include the following:

- No immediate cash outlay is required.
- Charitable bequests reduce the amount of your estate subject to federal estate tax.
- Your assets remain in your control during your lifetime. You can modify your bequest to address changing life circumstances.

We encourage you to discuss your plans with staff in Mills' Office of Institutional Advancement. We can help you articulate your charitable goals and ensure that the College will be able to use your gift for the purpose you have in mind.

### Definitions and sample language

You can make a bequest to Mills College for a specific amount, a percentage of your estate, or all or a portion of what is left after you have made specific bequests to your loved ones.

Sample language follows for the most common types of bequests and ways you may direct the College to use your gift. We recommend you share this language with your attorney or other estate planning advisors.

### Types of bequests and sample language

#### Percentage

A percentage of your estate's assets

"I hereby give to Mills College, an educational institution in Oakland, California, \_\_\_\_ percent of my estate."

#### Specific amount

"I hereby give to Mills College, an educational institution in Oakland, California, the sum of \$\_\_\_\_\_."

#### Entire residue

What is left of your estate after other bequests are made

"I hereby give to Mills College, an educational institution in Oakland, California, all the rest, residue, and remainder of my estate."

#### Percentage residue

"I hereby give to Mills College, an educational institution in Oakland, California, \_\_\_\_ percent of the residue of my estate."

#### Specific asset

Please contact staff in Mills' Office of Institutional Advancement if you are considering a bequest of personal or tangible property or other liquid assets.

#### Contingent bequest

You can specify certain conditions that must be met before an asset or share of your estate is transferred, for example:

"If my sister, [Susan Mills], is not living at the time of my death, I give her share of my estate to Mills College, an educational institution in Oakland, California."

## Directing how the College may use your gift

### Unrestricted

Unrestricted bequests give the College the most flexibility to use your gift where it is needed most at the time of distribution.

“...for its general purposes.”

### Specific purpose

Please contact staff in Mills’ Office of Institutional Advancement before directing your gift to a specific purpose. Some examples are below.

“...to provide [scholarships for undergraduates].”

“...to support [dance].”

“...to create the [Susan Mills ’75 Scholarship] supporting undergraduate students with financial need...”

### Gifts to the Endowment

You can help grow the College’s endowment, the annual income from which will support Mills in perpetuity. There are two ways to do this.

- *Gifts to the endowment for the College’s general purposes*  
“...to be added to the permanent endowment of Mills College.”
- *Gifts to the endowment for a specific purpose*  
“...to create a permanent endowed fund, [the Susan Mills Endowed Art Fund, for the support of studio art at Mills College].”

### Preparing for the unexpected

To ensure that the College can honor your wishes and serve Mills’ educational mission in the event of

unforeseen circumstances in the future, we ask that you include the following language:

“If at any time the Board of Trustees of Mills College determines that part or all of this bequest is no longer needed for the specified purpose, the Board of Trustees shall designate a purpose advisable for the best interest of Mills College, giving consideration to my stated interest as described herein.”



## Your bequest to Mills College

helps ensure a healthy future for Mills. If you have already included Mills in your estate plans but have not told us, please inform staff in the Office of Institutional Advancement so we may recognize your generosity. On behalf of the entire Mills community, thank you for your support!

## How to contact us

For a customized illustration of how a planned gift may benefit you, your loved ones, and Mills College—or for further information about any aspect of planned giving—please contact us.

### **Telephone**

877.PG.MILLS (1.877.746.4557)

### **Email**

planagift@mills.edu

Your confidential inquiry puts you under no obligation whatsoever.

*For certain types of gifts, you may need Mills College's tax identification number. It is 94-1156566.*

*Information provided herein or by Mills College is not intended as financial, legal, or tax advice. Please consult an attorney or other professional advisor before taking action.*