A Note from the Director

As the economy continues to improve, Yale alumni, family, and friends frequently reach out to us to explore creative ways to use charitable remainder trusts to provide income for themselves or their loved ones.

Their goals, both practical and visionary, are as varied as each individual. For example, Yale donors have recently established charitable remainder trusts to:

- Increase retirement income for themselves
- Meet educational expenses for grandchildren
- Supplement income for a spouse, relative, or friend
- Fund care for elderly parents
- Create a “pension” for a caregiver or other family employee
- Convert a non-income producing asset, such as real estate, into an income stream

Yale, as trustee, oversees and invests these trusts in addition to nearly 130 others in its portfolio. Donors say they appreciate the peace of mind that comes with Yale's trusted professional charitable asset management.

In this issue, we review charitable remainder trust basics and share just a few stories of how alumni have used charitable remainder trusts to meet their own personal, financial, and philanthropic goals.

If you would like to learn more about Yale's Trust Program or any other planned gift options, my colleagues and I in the Office of Planned Giving are here to help. We can tailor illustrations for your specific circumstances to show how a gift plan can offer you tax and income advantages. Our Charitable Trust Program Q&A by George Atwood, director of Planned Gift Investment and Administration, describes in detail Yale's charitable remainder trust investment strategies and performance. Please contact us for your copy.

With warm regards,

Eileen B. Donahue
University Director, Planned Giving
Senior Philanthropic Advisor

My Charitable Remainder Trust—A Valuable Retirement Planning Tool

“I see my charitable remainder trust as an integral element of my retirement planning,” remarks Patricia Geoghegan '74 J.D. “My trust provides a convenient and effective way to achieve multiple goals—both financial and philanthropic. It pays me a generous income for my lifetime and fulfills my commitment to give back to Yale Law School for the long term.

“One of the best features of my Yale managed trust is its simplicity. I was pleased at how easy it was to set up, and how making additions is even easier. I established the trust in 2008 as I was approaching my 35th Law School reunion, and added to it last December when thinking ahead to my 40th. It literally took me sixty seconds to make an additional gift that offers tax and income benefits to me, and will ultimately support future generations of Yale Law School students.”

Retired as a partner at Cravath, Swaine & Moore LLP in New York City, Pat led the...
A Commitment to Our Grandchildren... and to Yale

Irwin K. ’53 M.D. and Barbara F. ’53 M.D. Rosenberg

Irwin and Barbara Rosenberg met as classmates at Yale School of Medicine, married in New Haven in 1952, and graduated together in 1953. They practiced medicine for many years, with Irwin in general surgery and Barbara in surgical pathology, and maintained close ties to the medical school. According to Irwin, when he and Barbara look back they consider their years at Yale as among the best of their lives.

“Yale School of Medicine was such a special place. Our classmates were so bright and supportive. It was an intellectually liberating environment. The world-renowned faculty and challenging curriculum were there to guide us, but we were free to explore academic topics of interest on our own. We were taught to be curious, thoughtful, and compassionate. And I fell in love with Barbara, who was one of five women in the class and an outstanding student.”

The couple’s careers took them to St. Louis, Syracuse, and Detroit. Irwin and Barbara eventually retired to Maine, where they enjoy hiking, biking, and sailing, and Irwin continues a lifelong avocation of playing violin in a string quartet.

In 1994, the Rosenbergs established a charitable remainder trust to provide income to their eight grandchildren for twenty years. Earlier this year, when the trust’s term ended, an endowed fellowship was created at the medical school.

At Commencement in May, Irwin presented a Yale School of Medicine diploma to his grandson Graeme. “It was a thrill and honor to hand Graeme his diploma. He loved his time at Yale as much as Barbara and I did.” Following his grandparents’ path, Graeme met and married a fellow Yale student, Corinne Pogemiller, a graduate of Yale’s Physician Associate Program.

Irwin continues, “I was grateful for the financial aid that I received when I was at Yale. Now, Barbara and I are pleased that the Dr. Irwin K. and Dr. Barbara F. Rosenberg Fellowship has started to provide funds for current Yale School of Medicine students, and will continue to do so in the future.”

Paul Balser ’64

Yale College alumnus Paul Balser, who enthusiastically co-chaired his Class of 1964 50th reunion gift committee, recently established a charitable remainder trust to pay income to his grandchildren, ranging in age from twenty-two months to fourteen years. This is Paul’s third charitable remainder trust. With it, he continues to express confidence in Yale’s professional management as trustee. Paul funded his trusts with appreciated stock and was able to avoid capital gains tax liability on the assets used to fund them.

Paul comments, “To celebrate my 50th Yale College reunion, I was able to make a meaningful gift to Yale and at the same time help my grandchildren with their education and other expenses. Each grandchild receives annual payments from this trust for the next twenty years. Then, Yale will receive the remaining trust assets. I believe this type of trust offers a terrific opportunity to make an important gift, save taxes, and help out younger family members. As a volunteer, I encourage other alumni in similar situations to contact Yale to learn more about how a charitable remainder trust could work for them.”

Paul is gratified to know that his Yale charitable remainder trusts will not only help family members, including his grandchildren, but will also support future generations of talented and deserving Yale College students.

Curious About the IRA Rollover?

While the Charitable IRA Rollover expired on December 31, 2013, and has not yet been renewed, it has been extended many times in the past. After the November elections, law-makers may consider renewing the Charitable IRA Rollover. As soon as we learn definitive news, we will alert potential eligible donors directly and post information on the Yale Office of Planned Giving’s website, www.yale.planyourlegacy.org.
Charitable Remainder Trusts: Benefits for You Today, Support for Future Generations

Charitable Remainder Trusts (CRTs) offer a popular way to make a substantial charitable gift while realizing significant tax and income benefits. With a CRT, charitable funds are set aside and managed in a tax-exempt trust. CRTs can be funded with a wide variety of assets, and a contribution to a CRT generates an immediate income tax deduction. You and/or other income beneficiaries you select receive the trust income for lifetime or a term of years. A CRT can pay out fixed dollar amounts (an annuity trust), or variable income payments (a unitrust). Yale and, if you wish, other charitable organizations, receive the trust principal “remainder” when the trust completes its term.

Income and tax advantages
CRT income often exceeds the original cash flow from the contributed asset. Assets donated to a CRT can be sold and reinvested by the trust without exposure to capital gains tax. The opportunity to diversify investments and reduce risk, without tax, is especially attractive to individuals with concentrated holdings of highly appreciated stock.

Yale as trustee
You may be trustee or choose a financial institution, individual, or charitable organization to manage and invest the trust. In many cases, Yale University is willing to serve as trustee. Yale’s Charitable Trust Program has a proven track record and offers excellent professional management with low administrative costs. As trustee and a charitable beneficiary, Yale brings a unique alignment of interests, and participates directly in your goals of successfully preserving and growing the trust. When your trust does well, both you and Yale benefit from the results.

Benefits for you and Yale
In addition to increased income, tax savings, and investment diversification, a charitable remainder trust affords the opportunity to make a transformative gift to benefit generations of Yale students, making it a true win-win plan for you and for Yale.

Charitable Remainder Unitrust
A charitable remainder unitrust offers you and your loved ones an income stream which may grow over time.

How it works:
• You transfer cash, securities, or other appreciated property into a trust.
• The trust, which is separately invested and managed, pays a percentage of the value of its principal, which is revalued annually, to you and/or to beneficiaries you select.
• When the trust terminates, the remainder passes to Yale to be used as you have directed.

Benefits:
• Receive income for life or a term of years in return for your gift.
• Qualify for an immediate income tax deduction for a portion of your contribution.
• Pay no upfront capital gains tax on appreciated assets you donate.
• Make additional gifts to the trust as your circumstances allow for increased income and tax benefits.

• Reduce your estate tax liability by removing assets from your estate.
• Increase your income over time to keep pace with inflation if the principal value of the unitrust grows. This feature may be particularly appealing to younger donors and income beneficiaries.

You can use almost any asset to fund a unitrust, including cash, publicly traded stocks and bonds, closely held stock, partnership interests, and real estate. You can choose to receive income beginning immediately or structure the trust and its investments to defer most of the income to a future time. As the most flexible life income plan, a unitrust is a powerful vehicle to benefit you, your loved ones, and Yale.
A Valuable Retirement Planning Tool (continued from page 1)

executive compensation and benefits group and co-headed the tax department. Today, she serves the U.S. Treasury Department as acting special master for TARP Executive Compensation. From 2007 to 2011 she was an adjunct professor at Brooklyn Law School. A highly skilled and indefatigable volunteer fundraiser, Pat is a lifetime member of the executive board of the Yale Law School Fund and is also loyal to her undergraduate alma mater, Michigan State. For many years, she was chair of the board of the YWCA of the City of New York and of her high school, the Academy of Holy Angels in New Jersey.

Pat continues, “My education has been an incredibly important part of my life. I attribute much of what I have been able to accomplish to the education I received at Yale Law School. The outstanding faculty and my exceptional classmates made my experience there intellectually fascinating. The school offered me financial aid and remained extremely supportive of my academic interests and career aspirations.

“I am conscious of the fact that we are living longer and that retirement may last for decades. I have been impressed with Yale’s consistently strong investment performance and know that any growth in the trust’s assets increases the value of my future payments and offers a hedge against inflation.”