A PRINCETON GUIDE TO
ESTATE PLANNING

1746 Society Princeton University

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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.

CHOOSE THE GIFT OPTION THAT MATCHES YOUR GOALS

	THE SIMPLEST GIFTS		DESIGNATE A BENEFICIARY	
	Outright gifts	**A gift in your will or trust**	**Gift of bank or brokerage accounts**	**Gift of retirement assets**
If your goal is to:	▪ Make a gift with immediate impact on the programs you care deeply about.	▪ Make a gift that costs nothing now.	▪ Make a future gift from a bank, brokerage, or other account.	▪ Make a future gift.
Then you can:	Donate cash, appreciated securities, personal property, or real estate.	Name Princeton as a beneficiary in your will or trust for a specific amount, a particular asset, or percentage of the estate.	Designate Princeton as beneficiary of your checking, savings, or brokerage account assets after your passing.	Name Princeton as the beneficiary of the remainder or a portion of your retirement plan assets.
And your benefits are:	▪ An income tax charitable deduction that can be carried over six years. ▪ Eliminate the expense of maintaining assets you no longer need. ▪ Eliminate capital gains taxes on appreciated assets.	▪ Continued use of assets. ▪ Flexibility (revocable) to change your plans as life changes. ▪ Reduce taxable estate.	▪ Continued use of the assets during your lifetime. ▪ Simple process of completing POD/TOD form from your bank or brokerage account.	▪ Leave your family with other assets that carry less tax liability. ▪ Eliminate the twofold taxation on IRA or other employee benefit plans. ▪ Maximize the value passed on through your estate.

GET TO KNOW YOUR GIVING OPTIONS

As you create or update your estate plan, review the gift options available for you to support Princeton or other charitable organizations in the future.

GIFTS THAT PAY AN INCOME			
Charitable gift annuity*	**Charitable remainder annuity trust**	**Charitable remainder unitrust**	**Charitable lead trust**
▪ Make a charitable gift and convert assets for fixed payments that are partially tax-free. ▪ Secure a competitive rate with your gift. ▪ Fixed lifetime payments backed by the University.	▪ Make a charitable gift and convert assets for fixed payments. ▪ Secure a fixed life income while avoiding market risks.	▪ Make a charitable gift and convert assets for variable payments. ▪ Potential hedge against inflation over the long term, but still receive life income.	▪ Reduce or eliminate gift and estate taxes on assets you intend to pass to heirs.
Establish a charitable gift annuity with Princeton that pays a fixed amount for life.	Create a charitable remainder annuity trust for the lives of one or more individuals or for a term. At the end of the term, the remaining trust assets pass to Princeton.	Create a charitable remainder unitrust for the lives of one or more individuals or for a term. At the end of the term, the remaining trust assets pass to Princeton.	Create a charitable lead trust that pays income to Princeton for a specific term of years with the remainder returned to you or your heirs.
▪ Current and future savings on income taxes and fixed payments for life for one or two individuals. ▪ Simple process. ▪ Reduce or defer capital gains tax on appreciated stock.	▪ A fixed income for life or a term of years, and tax benefits. ▪ Often provides a higher payout rate than other investments. ▪ Reduce or defer capital gains tax on appreciated stock.	▪ A variable income for life or a term of years, and tax benefits. ▪ Potential hedge against inflation. ▪ Reduce or defer capital gains tax on appreciated stock.	▪ Reduce or eliminate gift or estate tax on assets passing to loved ones. ▪ Allows control of timing of transfer of assets to heirs.

**Not available in some states or from some organizations.*

A SIMPLE WAY TO MAKE A DIFFERENCE AT PRINCETON

Make a Meaningful Gift Through Your Will

Consider making a gift that can be easily implemented, offers you the ability to make adjustments, and allows you to choose programs or projects to benefit in the future.

You can support Princeton's mission of teaching, research, and service by leaving the University a gift in your will. This type of charitable gift is ideal for those who want to support core programs and new initiatives, but need the flexibility to alter their plans at any time and keep their current assets intact.

You can amend your bequest to Princeton at any time. As your circumstances change, so can your gift.

Referred to as a bequest, a gift in your will can take many forms. Here are three decisions to make during the planning process:

1 Choose what to give.

- **A SPECIFIC BEQUEST** directs a dollar amount or particular assets, such as securities, real estate, and tangible personal property (for example, works of art or rare books) to Princeton.
- **A RESIDUARY BEQUEST** gives the "rest, residue, and remainder" of your estate, or, more commonly, a percentage of the residue, after all other bequests, debts, and taxes have been paid.
- **A CONTINGENT BEQUEST** requires a certain event to occur before the gift can happen. For example, you could bequeath funds to a family member provided that person survives you; if not, the funds would then go to Princeton.

2 Decide how you would like Princeton to use your gift.

- **AN UNRESTRICTED GIFT** allows Princeton to use the assets in the most beneficial way. *The trust of T. Jennings Bailey Jr., an alumnus from the Class of '26, has provided support for Princeton to use wherever the funds are most needed.*
- **A RESTRICTED GIFT** allows you to specify how your funds are to be used. Contact us in advance to be certain your intent can be fulfilled. *Professor Edward T. Cone, an alumnus from the Class of '39, left the residue of his estate to Princeton, specifying that one*

half of his bequest go toward "encouraging and advancing teaching and scholarship in the humanities."

- **AN ENDOWED GIFT** creates a permanent fund where the investment earnings support Princeton in perpetuity. *Stanley L. Adler, an alumnus from the Class of '15, left an endowed gift to provide a fellowship for graduate students in English.*

3 Share this language with the attorney preparing your will.

I give and bequeath to the Trustees of Princeton University, a New Jersey not-for-profit corporation, the sum of ______________ dollars {or all the rest, residue, and remainder of my estate} to be used for the purposes of the University at the discretion of its Board of Trustees. The University's tax ID number (EIN) is 21-0634501.

NOTIFY PRINCETON OF YOUR PLANS

If the University is in your will or estate plan and you have yet to inform us, please call us at 609.258.6318—even if you wish your intentions to remain anonymous. We will work with you to ensure your gift will be used as you intend and preserve your anonymity.

Gift Reflects Personal Values

K.T. Overbey's Princeton experience had such an impact on her life that, in her late 20s, she named the University as a beneficiary in her will. An alumna from the Class of '89, she sees the bequest as a "personal statement of who I am and what I value."

Overbey, an assistant vice president at a children's hospital, treasures the friendships she made at Princeton and the lessons she learned from professors who were "literally the world-class experts on their subjects."

In addition to volunteering with the Alumni Schools Committee, Overbey is a loyal Annual Giving supporter and proud member of the 1746 Society, which recognizes those who have made a planned gift to Princeton. She believes that giving back to Princeton is the key to preserving the University's strength, "not just for the next 10 years, but for the next 200 years."

MAKE YOUR GIFTS GO FURTHER

Flexible Ways to Give to Princeton

There are many options to make future gifts to the University that do not involve a will. Consider designating Princeton as the beneficiary of your bank or brokerage accounts, retirement plan funds, or insurance policies to continue supporting Princeton after your lifetime.

These types of gifts are simple and offer peace of mind since they can be altered at any time and have a lasting impact.

- **BANK OR BROKERAGE ACCOUNTS** allow you to make a gift and keep your savings intact. An easy way is to make a bank account Payable-on-Death (POD)* or Transfer-on-Death (TOD) to Princeton.

  In most states, you can designate loved ones and favorite causes to benefit from your bank and brokerage accounts after your passing. For your chosen individual or organization to benefit from your checking account, savings account, or CDs, you must place a designation on the account.

  The savings are there for you if you need them during your lifetime, after which the University receives them to support teaching and learning.

  To designate funds from your brokerage or investment accounts to Princeton, contact your investment advisor for the proper beneficiary form. You can leave Princeton all of the funds or you can designate a certain percentage: We will have no rights to the funds until after your lifetime.

  Until then, you remain in control and are free to use the money in the accounts, change the beneficiaries, or even close the accounts.

- **RETIREMENT PLAN FUNDS** are a tax-wise gift to Princeton. If your children are the beneficiaries of your retirement plan assets, a combination of estate and income taxes may result in a tax burden of 50 percent. In contrast, Princeton and other nonprofit organizations are tax-exempt and eligible to receive the full amount, maximizing the impact of your retirement funds.

* *State laws govern Payable-on-Death and Transfer-on-Death accounts. Please consult with your bank representative or investment advisor if you are considering this gift.*

- **LIFE INSURANCE** is a low-cost way to provide a significant gift. You can name Princeton as primary or contingent beneficiary. If you name Princeton as contingent beneficiary, the University will only benefit if your primary beneficiary predeceases you.

Contact the administrator of your retirement account* or insurance company for a change-of-beneficiary form.

As your circumstances change, so should your beneficiary designations. Unless done thoughtfully, altering title and beneficiary arrangements may have undesirable legal or tax results. It's best to seek the help of an estate planning attorney. Princeton's Office of Gift Planning is available to provide additional information.

EXPLORE YOUR GIVING OPTIONS

Investing in Princeton allows students to explore the educational opportunities that will forever shape their lives. Contact the Office of Gift Planning at 609.258.6318 or 1746soc@princeton.edu to learn more.

Princeton Loyalty Runs Deep

There are many ways to support Princeton through your estate that do not involve a will. Charles (Chas) L. Dibble, an alumnus from the Class of '74, made such a gift when he named the University as the beneficiary of his retirement plan.

"He grew up at Princeton," says Suzanne Dibble, one of his two sisters and the executor of her brother's estate. "He blossomed during his four years there."

A history major who was elected to Phi Beta Kappa, Dibble went on to earn his PhD at Stanford University, writing his doctoral thesis on the art and history of early modern Vienna. He spent most of his career at Stanford University Hospital, working his way from unit clerk in the emergency room to assistant director of access informatics, helping to improve medical records by coordinating electronic patient information and training staff.

A world traveler, ardent runner, and environmentalist, Dibble also gave regularly to Annual Giving, often using his class year as inspiration for the amount of his contribution. His bequest was unrestricted, allowing the University to use it to meet the most pressing needs at the time the funds became available.

Some qualified plans require spousal approval.

GIVE AND RECEIVE PAYMENTS IN RETURN

Make a Gift That Provides Security and Diversifies Your Retirement Income

Princeton was built on a foundation of giving. Those historic investments have enabled generations of Princetonians to chart paths to success.

How a Gift Annuity Works

The concept of a gift annuity is simple. You make a gift of cash or securities to Princeton. In return, Princeton agrees to pay you fixed payments for life (and/or for another beneficiary's lifetime). Upon the passing of the last beneficiary, the funds are available for the University to use to meet the needs of future generations.

Weigh the Benefits

You or a loved one receives lifetime payments and enjoys numerous tax advantages:

- Payments are reliable and backed by the University.
- You are eligible for an income tax deduction for a portion of the gift.
- Part of the annual payment is a tax-free return of capital, excluding it from income tax until you reach your life expectancy.
- If you contribute appreciated securities, you'll need to pay some capital gains taxes for the "sale" portion of the transaction; however, the tax is deferred and stretched over your life expectancy—not in one year.

SAMPLE GIFT ANNUITY RATES

ONE LIFE

AGE	IMMEDIATE RATE	DEFERRED RATE
60	N/A	5.4%
70	5.1%	6.7%
80	6.8%	9.0%
90+	9.0%	10.4%

TWO LIVES

AGES	IMMEDIATE RATE	DEFERRED RATE
65/70	4.4%	5.5%
70/75	4.8%	6.1%
80/85	6.1%	8.4%
90/95+	8.8%	10.2%

Rates in effect at time of publication. These rates change periodically, so please contact the Office of Gift Planning to check current figures. Deferred rates based on five-year deferral between date of gift and the start of payments.

Charitable gift annuities offer flexibility and simplicity in shaping your charitable and estate planning decisions.

Example

THE SCENARIO: Jerry, an alumnus, and his wife, Jill, want to support the University in the future and supplement their retirement income. In addition to their philanthropic goals, they are seeking dependable lifetime payments that remain constant even with a fluctuating stock market.

THE SOLUTION: Jerry, 70, and Jill, 65, establish a two-life charitable gift annuity with Princeton, which will provide them with fixed payments for life. After that, the remaining amount will be used to benefit future generations of Princeton students. They plan to fund their gift annuity with a $100,000 gift. Based on their ages, they will receive a gift annuity rate of 4.4 percent, which means, for the remainder of their lives, Princeton will pay them $4,400 each year.

THE BENEFITS:

- Jerry and Jill are eligible for a charitable deduction of $29.132* on their federal taxes when they itemize. In their 28 percent tax bracket, this generates a savings of $8,157.
- They augment their retirement income by $4,400 per year or $99,440 over their estimated life expectancy. Of the annual annuity payment, $3,080 is considered an income-tax-free return of principal for their estimated life expectancy of almost 23 years. After that, the entire payment will be taxed as ordinary income.
- Jerry and Jill will be able to realize their dreams of helping others and set an example for their children and grandchildren about the importance of philanthropy.

This is one example of how a charitable gift annuity can benefit you. Contact the Office of Gift Planning at 609.258.6318 or 1746soc@princeton.edu to receive a personal calculation.

**Based on quarterly payments and a 2.4 percent charitable midterm federal rate. Deductions vary based on income earned.*

BOOST YOUR INCOME AND SUPPORT PRINCETON

Charitable Remainder Unitrusts

The charitable remainder unitrust is a gift to Princeton, but it's also much more. Because the unitrust is a deferred gift, it allows you to donate securities and receive an income from those assets.

How a Unitrust Works

You fund a unitrust with assets (appreciated property or stocks generate the greatest net savings for you). The amount you receive varies each year based on a set percentage chosen by you when you make your gift and the current value of the unitrust. Payments are calculated annually based on the market value of the trust. After your lifetime (and, if you wish, that of a survivor), the balance of your trust goes to Princeton to help students address the challenges of the future.

Supplement your retirement income and support Princeton with a unitrust.

You can take an income tax charitable deduction in the year you establish your trust and carry forward any unused deduction for up to five additional years. Making a gift with appreciated securities can ensure even more valuable tax savings by eliminating up-front tax on the capital gains.

Add Up the Benefits

A unitrust offers many advantages:

- An initial income tax charitable deduction
- Elimination of up-front capital gains tax on the transfer of appreciated assets
- Variable income for life or a term of years (often greater than your previous yield)
- Potential hedge against inflation
- Professional management of the trust assets

Most important, you make a personal commitment of a significant gift that helps provide a Princeton education for generations to come.

WE CAN HELP

To learn more about how a charitable remainder unitrust can benefit you, please contact the Office of Gift Planning at 609.258.6318 or 1746soc@princeton.edu.

Another Option: Flip Unitrust

A charitable flip unitrust could be right for you if you want to give an asset, such as real estate or closely held stock, or if you want to defer income until retirement. A flip unitrust allows you to defer payments for a pre-set term or until the contributed assets are sold. The trust then converts, or "flips," to a standard unitrust that distributes a percentage of the total market value of the assets quarterly to you or the beneficiaries you name.

SCENARIO: James, an alumnus, and Kelly, ages 75 and 70, jointly own undeveloped land having a current market value of $550,000 and a cost basis of $100,000. If they sell the property, they would incur a capital gain of $450,000 and pay $67,500 in capital gains taxes. The couple discovers that they can convert the property and increase their income with a flip unitrust.

James and Kelly transfer the land to a 5 percent flip unitrust. The sale of the property triggers the "flip" event. The valuation date is Jan. 1, and quarterly payments begin at the end of March. On the passing of the survivor, the remaining principal goes to Princeton.

By transferring land to a flip unitrust, the couple was able to:

- Make an irrevocable commitment to the University and avoid an immediate capital gains tax of $67,500
- Receive an income tax deduction of $245,734* after income tax deduction in the year of the transfer, saving $86,007 in their 35 percent federal income tax bracket (although the deduction can be taken over five additional years)
- Increase their income after the trust flips

**Based on quarterly payments and a 2.4 percent charitable midterm federal rate. Deductions vary based on income earned.*

Trust Worthy: Gifts Assist Scholars

Luis Gonzalez-Yante, Class of '18, from Detroit, Michigan, is an aspiring engineer who benefits from the life income gift of Frank Sagendorph III, an alumnus from the Class of '31. Bo-Ryehn Chung, Class of '18, from Auckland, New Zealand, is considering a major in chemical and biological engineering or neuroscience and benefits from the generosity of Robert Chamberlin, an alumnus from the Class of '57.

The students are the first recipients of scholarships created through charitable remainder trusts. Their experience is possible because of the generosity of Princeton alumni.

"If I could, I'd ask my benefactor which aspects of Princeton he'd never forget and the reasons he chose to give back. If I had the chance, I would say thank you over and over," Chung says.

GIVE WISELY AND CUT TAXES

Provide More for Your Loved Ones

You can receive significant tax savings and provide for your family when you make a gift to Princeton. Charitable lead trusts are an option to help maximize your gifts.

Charitable Lead Annuity Trust

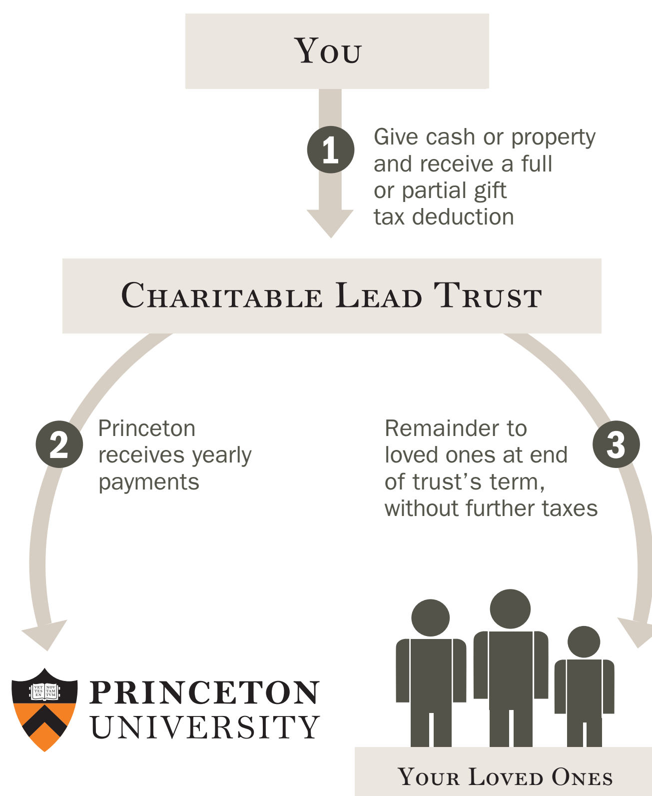
This option is ideal if you are willing to forgo access to part of your wealth now but don't want to deprive your heirs of that wealth in later years.

With this strategy, you give assets to a trust and the trust makes fixed payments to Princeton for the number of years you choose. The longer the length of time, the better the gift tax savings for you.

After the period of years is completed, the assets inside the trust generally pass to your children or other loved ones selected by you. If you fund the trust with cash or non-appreciated assets, they can grow in value over time and eliminate gift tax on their appreciation.

Charitable Lead Unitrust

A charitable lead unitrust pays a variable amount each year based on the annual value of the assets in the trust. If the unitrust's assets go up in value, the payments to the charity go up as well. On the other hand, if the assets decrease in value, so do the charity's payments.



MAXIMIZE BENEFITS FOR YOU AND PRINCETON

Plan Today to Give Real Estate Tomorrow

If you're looking for a way to support Princeton, consider making a gift of real estate, which allows you to continue using the asset today, and give later.

The Advantages of Real Estate

Perhaps the easiest way to eliminate capital gains tax on real estate is to give it to Princeton or another charitable organization. Property that has been held long-term makes an excellent charitable contribution and promises several advantages:

- Frees cash that otherwise would have been used to pay for taxes and upkeep
- Receives an income tax charitable deduction equal to the property's full fair market value (if held long-term) instead of the lower cost basis
- Eliminates tax on the appreciation of the property
- Reduces your taxable estate—the transfer isn't subject to the gift tax
- Avoids the stress of selling the property

Implications of a Sale Versus a Gift

When you sell your home, you may qualify for an exclusion of up to $250,000 ($500,000 if you're married) of gain, eliminating capital gains tax on anything up to that amount. This exemption applies if you've used the home as your primary residence at least two of the past five years.

You never pay federal capital gains tax on a gift of real estate to Princeton or other charitable organizations.

However, this capital gains tax break doesn't apply for sales of any real estate other than your primary residence. Perhaps the easiest way to eliminate capital gains tax on real estate is to give it to a charitable organization such as Princeton. And, of course, none of your sale options can generate a charitable deduction like giving us your real estate does.

When you give your home or other real estate to us, you create an enduring connection to the University. Your personal satisfaction is also complemented by valuable tax benefits.

TAX-SMART WAYS TO GIVE TO PRINCETON

3 Ways to Minimize Taxes

To reduce the size of your estate for federal estate tax purposes, your attorney may recommend the following techniques:

- **THE CHARITABLE DEDUCTION.**
  The government encourages gifts to qualified charitable organizations, so a bequest's value is completely exempt from federal estate taxes. There is no limit on the amount of the estate's deduction.

  This is different from the income tax charitable deduction for lifetime gifts, which is limited to an overall maximum for cash gifts of 50 percent of your adjusted gross income in any year. If you've owned appreciated property for more than one year, you may deduct the full fair market value of the property up to 30 percent of your adjusted gross income. You also eliminate paying capital gains tax on the appreciation.

- **THE MARITAL DEDUCTION.**
  Generally, bequests to spouses are free of gift and estate taxes because of an unlimited marital estate and gift tax deduction (though special rules apply if the spouse is not a US citizen). Assets you leave in a marital trust (or a traditional estate trust under a will or trust agreement) will qualify for the marital deduction.

  Another plan to consider is a QTIP (qualified terminable interest property) trust. This trust qualifies for the marital deduction without giving away ultimate control of the trust assets. A QTIP trust pays your surviving spouse income for life. Then after your spouse's lifetime, the trust assets are distributed to the beneficiaries you named in your will or trust agreement.

- **REMOVE LIFE INSURANCE PROCEEDS FROM YOUR ESTATE.**
  When you name Princeton as the owner and beneficiary of an existing or new life insurance policy, the proceeds are removed from your taxable estate.

GOOD TO KNOW

There is a deadline for paying the estate tax. Usually it's nine months from the date of death. There are special installment payment provisions, however, for certain family farms and small corporations.

YOU CAN LEAD THE WAY

Where to Go From Here

- **CONTACT PRINCETON'S OFFICE OF GIFT PLANNING** at 609.258.6318 or 1746soc@princeton.edu.
- **VISIT** giving.princeton.edu/giftplanning to learn more about the gift options that best fit your financial and charitable needs.
- **MEET** with your estate or financial planning advisors for advice on how a planned giving arrangement can work for you.
- **GET ORGANIZED** by completing our *Personal Inventory Workbook,* a companion to *A Princeton Guide to Estate Planning*.

The 1746 Society

When you include Princeton in your estate plan or create a life income gift, you become a member of the University's 1746 Society. The society is named in honor of the year the University was founded.

BENEFITS OF 1746 SOCIETY MEMBERSHIP

- A permanent legacy at Princeton
- Reports on the investment performance of gifts to Princeton and highlights of the gift planning program
- Professional, personalized gift planning services
- Invitations to members-only events
- Recognition in publications, including the *Princeton Alumni Weekly* and the University's *Gifts to Princeton*
- Option to be an anonymous member if you do not want your membership publicly recognized

If you have already included Princeton in your estate plan, please let us know so we can welcome you to the 1746 Society.

PRINCETON UNIVERSITY

OFFICE OF GIFT PLANNING

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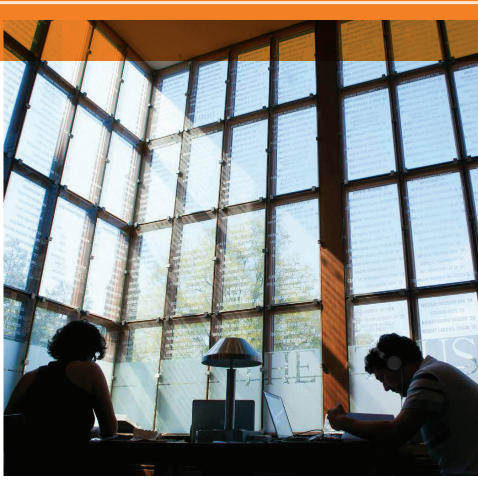
giving.princeton.edu/giftplanning

PERSONAL INVENTORY
WORKBOOK



1746 Society Princeton University

GET ORGANIZED

3 Reasons to Start Using This Workbook Now

Compiling your estate planning records provides you with a better sense of your financial security and is an opportunity to define what your assets mean to you and your heirs.

Should any technical questions arise about your specific situation, seek the advice of an attorney or financial advisor. Of course, we would also be happy to assist you with your charitable intentions at the outset or after you have completed your workbook.

1 Your records provide important personal information about you and your family that will be helpful to your executor (personal representative) when it comes time to settle your estate. Your executor will be able to locate beneficiaries, your safe-deposit box, abstracts, titles, stock or bond certificates, your will, trust agreements, and other important documents.

2 Your records serve as the basis for creating your estate plans and providing for the future well-being of your family and the causes you care about most. Your records can provide these details:

- What constitutes your estate and what your beneficiaries can inherit
- What to consider for the disposition of your assets
- Whether your assets will pass by joint ownership
- If your assets are documented for distribution in some other way
- Whether you must address the distribution of assets in your will

If you have not yet made a will, you will find it easier to do so with this information at hand.

3 Your records also serve as a basis from which to determine what your estate taxes would be under various plans of distribution. Knowing the assets and the values to be considered will help you and your advisors find ways to minimize estate taxes and identify liquid assets to cover estate settlement expenses.

GOOD TO KNOW

If you're married or partnered, you and your spouse should prepare separate workbooks. While some sections contain shared information, most sections are distinctly personal. It also makes it easier for loved ones to manage your unique affairs over time. For additional copies of this workbook, please contact Princeton's Office of Gift Planning at 609.258.6318.

PERSONAL PLANNING INVENTORY

The first step in creating your estate plans is to gather the right documents to ensure your wishes will be carried out after your lifetime. Use this list to determine what you need and how to keep the information current and secure.

DOCUMENT	WHAT IT IS	WHERE TO KEEP IT	WHEN TO UPDATE IT
Will/living trust	Directs your trustee or personal representative on how to distribute your estate	In a fireproof secure location; give a copy to your personal representative	Every 3 to 5 years or immediately after: ▪ A move to a different state ▪ A change in beneficiary ▪ A significant change in estate size
Durable power of attorney	Allows someone of your choice to carry out financial matters for you in the event of your illness or disability	In a fireproof secure location; give a copy to the person you appointed	If your relationship with the person you designate changes or if this person predeceases you
Health care proxy and living will	Names an individual to make health care decisions if you become unable to do so	Give copies of the form to your health care providers and the person named as your health care proxy	If your relationship with the person you designate changes or if this person predeceases you

You should also gather the following documents:

- The names and addresses of:
    - Your executor and trustee(s)
    - Your financial advisor
    - Your tax preparer
    - The individual you named as the attorney-in-fact in your power of attorney
    - The law firm that drafted your will or trust and the name of the specific attorney
- Beneficiary designation forms for your retirement account, along with year-end statements and a listing of where you have accounts and what types

If you are considering naming Princeton in your will or estate plan, please let us know so we can properly honor your wishes and thank you.

TRACK PERSONAL INFORMATION

YOU

Your name (Please print above.)

Address/City, State, ZIP

Home phone/cell phone/email

Date of birth/birthplace/location of birth certificate

Location of adoption documents

Social Security number

Driver's license number and state

Location of tax records and stock and bond certificates

Location of titles/abstracts/leases

Military service/branch/years of service/location of military documents

First spouse's name

Date of first marriage/location of certificate

Prenuptial agreement/location of document

Date of divorce/annulment/legal separation or death/location of documents

Second spouse's name

Date of second marriage/location of certificate

Prenuptial agreement/location of document

Date of divorce/annulment/legal separation or death/location of documents

Continued on page 4

TRACK PERSONAL INFORMATION

YOUR PARENTS

Mother's name/phone number (Please print above.)

Address/City, State, ZIP

Date of birth/birthplace/location of birth certificate

Date of death/resting place/location of death certificate

Social Security number

Father's name/phone number

Address/City, State, ZIP

Date of birth/birthplace/location of birth certificate

Location of birth certificate

Date of death/resting place/location of death certificate

Social Security number

YOUR SPOUSE

Spouse's name

Maiden name (if applicable)

Date of birth/birthplace

Location of birth certificate

Social Security number

Driver's license number and state

TRACK PERSONAL INFORMATION

YOUR CHILDREN

First child's name/phone number (Please print above.)

Date of birth/birthplace

Location of birth certificate

Location of adoption documents

Social Security number

Driver's license number and state

Second child's name/phone number

Date of birth/birthplace

Location of birth certificate

Location of adoption documents

Social Security number

Driver's license number and state

Third child's name/phone number

Date of birth/birthplace

Location of birth certificate

Location of adoption documents

Social Security number

Driver's license number and state

TRACK PERSONAL INFORMATION

CURRENT/RETIRED EMPLOYER(S)

First Employer's Contact Information

Are you retired? ❑ Yes ❑ No

Company name (Please print above.) | Phone | Supervisor

Current benefits and location of documents

Position | Start date (and end date, if retired)

Ownership interest ❑ Yes ❑ No

Second Employer's Contact Information

Company name | Phone | Supervisor

Current benefits and location of documents

Position | Start date (and end date, if retired)

Ownership interest ❑ Yes ❑ No

PREVIOUS EMPLOYER(S)

Previous First Employer's Contact Information

Company name | Phone | Supervisor

Current benefits and location of documents

Position | Start date and end date

Ownership interest ❑ Yes ❑ No

Previous Second Employer's Contact Information

Company name | Phone | Supervisor

Current benefits and location of documents

Position | Start date and end date

Ownership interest ❑ Yes ❑ No

TRACK PERSONAL INFORMATION

WILL AND TRUST

Do you have a will? ❑ Yes ❑ No

Are you the creator or beneficiary of any trusts? ❑ Yes ❑ No

Document title (Please print above.)

Date prepared

Prepared by (name, title, contact information)

Location of document

Location of copies

Executor or trustee

Alternate executor or trustee

Additional notes

Document title

Date prepared

Prepared by (name, title, contact information)

Location of document

Location of copies

Executor or trustee

Alternate executor or trustee

Additional notes

TRACK PERSONAL INFORMATION

POWER OF ATTORNEY

Have you signed a financial durable power of attorney? ❑ Yes ❑ No

Document title (Please print above.)

Date prepared

Prepared by (name, title, contact information)

Name of person appointed to act on your behalf

Names of alternates to act on your behalf

Effective date of agent to act: ❑ Immediately ❑ Upon your incapacity ❑ Other

Location of original document

Location of copies

Additional notes

HEALTH CARE DIRECTIVES

Do you have a living will? ❑ Yes ❑ No

Do you have a health care power of attorney? ❑ Yes ❑ No

Name of person appointed to act on your behalf

Names of alternates to act on your behalf

Document title

Date prepared

Effective date of agent to act: ❑ Immediately ❑ Upon your incapacity ❑ Other

Prepared by (name, title, contact information)

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TRACK PERSONAL INFORMATION

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HEALTH CARE DIRECTIVES

Location of original document (Please print above.)

Locations of copies (We suggest attaching a copy to this workbook.)

Document title

Date prepared

Effective date for agent to act: ❑ Immediately ❑ Upon your incapacity ❑ Other

Prepared by (name, title, contact information)

Location of original document

Locations of copies (We suggest attaching a copy to this workbook.)

LONG-TERM CARE

Do you have a long-term care insurance policy? ❑ Yes ❑ No

Insurance agent's name

Company name

Policy number

DIGITAL ASSETS

Email/user name	Physical location of password	Security question/answer
Social media user name	Physical location of password	Security question/answer
Online bank account user name	Physical location of password	Security question/answer
Online credit card account user name	Physical location of password	Security question/answer

TRACK PERSONAL INFORMATION

BODY, ORGAN, AND TISSUE DONATIONS

Do you wish to donate your body, organs, or tissues? ❑ Yes ❑ No

First donation (identify the particular organ or tissue or indicate entire body) (Please print above.)

Receiving organization's name and contact information

Location of documents

Second donation (identify the particular organ or tissue)

Receiving organization's name and contact information

Location of documents

Third donation (identify the particular organ or tissue)

Receiving organization's name and contact information

Location of documents

Please note: This is not intended as a legal form. Consult with your doctor and attorney today to create the appropriate documents.

SECURED PLACE

Do you have a safe-deposit box? ❑ Yes ❑ No

Bank name, branch location, and contact information

People with authorized access

Box number and location of keys

Contents

TRACK PERSONAL INFORMATION

OTHER MATTERS THAT NEED FAMILY ATTENTION

Here's a checklist of actions that must be completed in the first year after your death. Check the boxes that apply to you, so your family members can take care of them later.

- ❑ **Contact the attorney to have the will read** and to initiate estate settlement.
- ❑ **Contact the Social Security Administration.** Social Security pays a lump sum death benefit of $255. A surviving spouse can get survivor's benefits as early as age 60—earlier if a surviving spouse is disabled. Children under age 18 may also be entitled to survivor's benefits when a parent dies.
- ❑ **Call the Veterans Administration (VA).** Surviving spouse and dependent children may be entitled to a small pension if the deceased served in the armed forces. The VA will pay partial burial expenses and provide a headstone or marker as well as an American flag to drape over the casket, without charge. If burial is in a national cemetery, the VA will provide a grave site and pay burial costs.
- ❑ **Notify organizations where the deceased held memberships.** Some offer memorial services. They may have life insurance and may return part of dues paid. Organizations to notify: ______________________________

  ____
- ❑ **Contact former employers for benefits** resulting from that employment. Refer to the list in the employment history section (see page 6).
- ❑ **Collect life insurance policies and call the companies to request death claim forms.** The beneficiary can choose to take proceeds in a lump sum or spread them out as payments over the years.
- ❑ **Contact companies holding retirement plans.** There may be money left in them to be paid out to survivors. Like life insurance, proceeds can be paid out in a lump sum or in installments. Tax advisors should be consulted before beneficiaries make that decision.
- ❑ **Consult with the health insurance company.** It may pay some expenses of your last illness. Future premiums for survivors may also be affected if the policy has covered two or more people and now there will be one fewer person covered. Some health insurance policies are combination policies that provide some death benefits.

CALCULATE YOUR ESTATE'S WORTH

Worksheets to Help Evaluate Your Estate

For planning purposes, your estate value differs from your net worth, which is a snapshot of what you own and owe.

An inventory of your assets and liabilities can help you:

- Determine what you can leave to your heirs after your lifetime.
- Calculate your potential estate taxes.
- Provide for the distribution of your estate and the minimization of estate taxes.

YOUR ESTATE AND TAXES

The federal estate tax rules define the way you look at your assets. (State death tax rules may vary.)

Your **gross estate** is the total fair market value of your assets at your passing. In addition to property you own, this includes certain transfers made during your life, such as assets in a revocable trust, and any general power to "appoint" property—to take or dispose of property held under someone else's will or trust.

Generally, one-half of the value of **joint property** is included in the estate of the first spouse to die and the full value is included in the survivor's estate unless **(a)** part originally belonged to the survivor and was not acquired from the deceased for less than full monetary consideration, or **(b)** the survivor acquired the property by gift, legacy, or inheritance. If you are married and hold property as joint tenants with right of survivorship or as tenants by the entirety, an unlimited marital deduction will exclude all of it from your taxable estate.

Generally, your **taxable estate** is the net amount remaining after deducting funeral and administration expenses, debts, charitable bequests, and gifts and other qualifying interests passing to your surviving spouse.

After a tentative tax is calculated, your estate tax may be reduced by certain **credits**, subject to various limits: the unified estate and gift tax credit, gift taxes you have paid, state and foreign death taxes, and a credit for the federal estate tax on inherited property. (In a rare instance, this tax may be increased by a generation-skipping transfer tax.)

The following worksheets will help you determine the approximate size of your gross estate and net estate. Fill in the estimated current market value of each asset. For life insurance, insert the face amount, not the cash surrender value.

TRACK YOUR ESTATE'S VALUE

LIST YOUR ASSETS

1. Cash (savings, money market and checking accounts, CDs)

Type of account	Institution	Owned by you alone	Owned by your spouse	Owned as joint or community property
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$

2. Real Estate

Description and location of property	Date of purchase	Cost basis	Owned by you alone	Owned by your spouse	Owned as joint or community property
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$

3. Stocks, bonds, mutual funds

Description	Date of purchase	Cost basis	Owned by you alone	Owned by your spouse	Owned as joint or community property
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$

4. Obligations due to me (mortgages held, notes receivable, accounts receivable)

Name of debtor	Address	Owned by you alone	Owned by your spouse	Owned as joint or community property
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$
		$	$	$

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TRACK YOUR ESTATE'S VALUE

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5. Personal assets (automobiles, jewelry, furniture, boats, paintings, collections, etc.)

Description	Date of purchase	Cost basis	Owned by you alone	Owned by your spouse	Owned as joint or community property
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$
		$	$	$	$

6. Life insurance

			Face Amount*		
Name of company	Insured	Beneficiary	Owned by you alone	Owned by your spouse	Owned as joint or community property
			$	$	$
			$	$	$
			$	$	$
			$	$	$
			$	$	$

*Note any policy loans

7. Annuities—Commercial

Description	Annuitant	Beneficiary	Cost basis	Owned by you alone	Owned by your spouse	Owned as joint or community property
			$	$	$	$
			$	$	$	$
			$	$	$	$
			$	$	$	$
			$	$	$	$

8. Annuities—Charitable

Description	Annuitant	Beneficiary	Cost basis	Owned by you alone	Owned by your spouse	Owned as joint or community property
			$	$	$	$
			$	$	$	$
			$	$	$	$
			$	$	$	$
			$	$	$	$

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TRACK YOUR ESTATE'S VALUE

Continued from page 14

LIST YOUR ASSETS

9. Retirement benefits (pension, profit-sharing, IRAs, Keogh plans, etc., including face amounts of life insurance owned in the retirement plan)

Description	Beneficiary	Value of Interest: Owned by you alone	Value of Interest: Owned as joint or community property
		$	$
		$	$
		$	$
		$	$
		$	$
		$	$
		$	$
		$	$

10. Business interests owned (proprietorship, partnership, corporation)

Business name and address	Cost basis	Value of Interest: Owned by you alone	Value of Interest: Owned by your spouse	Value of Interest: Owned as joint or community property
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$

11. Other assets potentially includable in estate because of your interest in them (interest in a trust or estate, royalties, patents, copyrights, trademarks, etc.)

Description	Cost basis	Current Value: Owned by you alone	Current Value: Owned by your spouse	Current Value: Owned as joint or community property
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$
	$	$	$	$

	Owned by you alone	Owned by your spouse	Owned as joint or community property
TOTAL OF ALL ASSETS	$	$	$

TRACK YOUR ESTATE'S VALUE

LIST YOUR LIABILITIES

1. Mortgages

Description of property	Name of creditor	Owed by you alone	Owed by your spouse	Owed jointly
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________

2. Loans, installment debts (bank, auto and personal loans, insurance loans, etc.)

Description	Name of creditor	Owed by you alone	Owed by your spouse	Owed jointly
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________

3. Current bills (department store and other charges, credit cards, etc.)

Description	Name of creditor	Owed by you alone	Owed by your spouse	Owed jointly
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________
________________	________________	$__________	$__________	$__________

4. Taxes owed (estimated state and federal income tax, property tax, etc.)

Description	Owed by you alone	Owed by your spouse	Owed jointly
________________________________	$__________	$__________	$__________
________________________________	$__________	$__________	$__________
________________________________	$__________	$__________	$__________
________________________________	$__________	$__________	$__________

	Owed by you alone	Owed by your spouse	Owed jointly
TOTAL OF ALL LIABILITIES	$__________	$__________	$__________

	You	Your spouse	Joint
Total of all assets	$__________	$__________	$__________
Minus total of all liabilities	(__________)	(__________)	(__________)
NET ESTATE (estimated)	$__________	$__________	$__________

TRACK YOUR ESTATE'S VALUE

DISPOSITION OF YOUR ESTATE

1. Bequests to spouse (indicate a contingent beneficiary in case your spouse does not survive you)

Name/relationship/address	Description of asset or percentage of estate
______________________________	______________________________
______________________________	
______________________________	______________________________
______________________________	

2. To other beneficiaries

Name/relationship/address	Description of asset or percentage of estate
______________________________	______________________________
______________________________	
______________________________	______________________________
______________________________	
______________________________	______________________________
______________________________	

3. To charitable organizations

Name and address of charitable organization	Percent of net estate		Dollar amount
______________________________	__________%	OR	$__________
______________________________			
______________________________	__________%	OR	$__________
______________________________			

Name and address of charitable organization	Description of specific asset bequeathed
______________________________	______________________________
______________________________	
______________________________	______________________________
______________________________	

4. Residue of estate

Name and address of charitable organization	Percent of residuary estate
______________________________	__________%
______________________________	
______________________________	__________%
______________________________	

Name and address of other beneficiaries	Percent of residuary estate
______________________________	__________%
______________________________	
______________________________	__________%
______________________________	

CONSIDER CHARITABLE CHOICES

How You, Your Family, and Princeton Can Benefit

Upon completion of this workbook, you are ready to meet with your attorney and other professional advisors for their important counsel and the drafting of necessary documents.

We hope that, as part of your planning, you will consider making a gift to Princeton in your will or through some other form of gift plan. A gift, however, should never come before your personal or family needs.

That's the beauty of a planned gift—you come first. Depending on the type of gift you choose, you may reap benefits from your philanthropy that have very practical and desirable outcomes, such as the following:

- Ability to leave a legacy
- Income tax benefits
- A life income
- Reduced estate taxes and probate costs
- Personal satisfaction

Whatever your objective, we can help match your needs with the right giving tool to provide the most benefits for you, your family, and Princeton.

WE CAN HELP

Please contact the Office of Gift Planning at 609.258.6318 and we'll be happy to explain the choices available to you—without obligation.

Gifts That Give Back

- **Income tax benefits.** The federal government encourages contributions to qualified charitable organizations, such as Princeton, by providing for charitable deductions on your income tax.

- **Reduce estate taxes and probate costs.** Gifts to a qualified charitable organization, either now or after your lifetime, reduce your taxable estate. A contribution now can also reduce probate costs later.

- **Lifetime income.** If you desire, you can receive an income for life through a planned gift.

PRINCETON UNIVERSITY

OFFICE OF GIFT PLANNING

330 Alexander St., Princeton, NJ 08540-9839

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giving.princeton.edu/giftplanning