

Create a legacy with
a gift of life insurance
page **2**

Earn up to 11.3%
when you establish a
charitable gift annuity
page **4**



PHOTO BY TERRY WILD

A Gift That Lasts

When Helen Snyder Reyburne, '34 steps into the pool at her retirement community in Florida, neighbors move out of her way. The Temple alumna swims twenty laps a day whenever she can. Once she finishes, Helen walks in the water and gossips with neighbors—an activity, she says, that takes up almost as much energy as twenty laps.

Helen took up swimming as a child in High Bridge, New Jersey. Despite the Depression, her father, a Lithuanian immigrant, sent his three children to college. Helen departed for Philadelphia and enrolled at Temple as a journalism major. A member of Phi Sigma Sigma sorority, she lived in student housing at Broad and Norris Streets. After graduation, Helen and her friend Ruth rented an apartment near Temple until they each married.

During her career, Helen worked first for Sears on Roosevelt Boulevard and later for the School District of Philadelphia in the library and computer room. She journeyed to Europe by ship and by plane, toured the United States by car, and visited Israel several times. After retiring to Florida, Helen made frequent trips to Philadelphia to catch up with old friends. She stayed connected to Temple by supporting Paley Library and attending events at Mitten Hall.



Helen Snyder Reyburne, '34

Now Temple comes to Helen in Florida. Recently, she shared a visit and a meal with Jerry Rohrbach, director of Planned Giving. Helen says she enjoys hearing from Jerry about changes taking place at Temple. So when her financial planner suggested making a gift to her alma mater, Helen acted.

She has established both an endowed scholarship fund for incoming freshmen and a charitable gift annuity. Helen also decided to support one of her special interests—she made a gift of life insurance to Paley Library. “I wanted to give a gift that would last, something that would be around for years,” she says. “I know Temple will always be there.”

One of the Best-Kept Secrets Gift Planning with Life Insurance

It's certainly no secret that life insurance is a unique and valuable asset. It can generate financial security for your family; provide immediate cash for the payment of estate taxes and settlement costs; or act as a savings and investment vehicle.

What's not so well-known, however, is that life insurance offers many ways to provide major support to Temple. You can use life insurance to make cost-effective outright gifts, significant gifts on the installment method, or a charitable bequest outside your will. You can even use life insurance as a wealth replacement component in a charitable trust arrangement. Indeed, life insurance can allow you to make meaningful gifts that otherwise might not be possible.

In this issue, we discuss both time-proven and creative new ways

to use life insurance in your gift planning. We encourage you to share these ideas with your advisors or contact us.

Life Insurance as an Outright Charitable Gift

Life insurance policies that are donated to Temple University generally fall into one of two categories:

- policies previously purchased by the donor for family protection needs that no longer exist, and
- newly acquired policies specifically purchased to provide a gift to Temple.

The No-Longer-Needed Policy

As years go by, people sometimes find that a life insurance policy is no longer needed for its original purpose. A good example would be

a policy purchased for the education of a child now grown, or for the financial security of a spouse now deceased.

Individuals who wish to donate a major gift may find it beneficial to transfer such a policy to Temple. The University will eventually receive the face amount of the policy, and if you make a complete and outright assignment of ownership, you will receive an immediate income tax charitable deduction equal to the fair market value of the policy or its cost, whichever is less. What's more, if your policy is not yet paid in full, annual gifts made to the University to continue the premium payments will also be deductible in the year made.

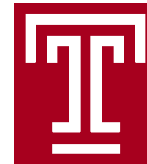
Example: Stephen, a Temple alumnus, owns a \$150,000 life insurance policy that he purchased years ago to provide his sister, Katherine, with financial assistance should he die first. Stephen has paid gross premiums totaling \$23,000 for the policy, and has received back policy dividends which reduce his net cost by \$5,000. The policy now has a cash surrender value of \$22,000.

Katherine died last year, and Stephen is considering donating the policy. By assigning the policy to Temple, Stephen can assure that his alma mater will receive \$150,000 at his death. In addition to knowing he has helped Temple, Stephen will also get to deduct \$18,000 (\$23,000 premiums minus \$5,000 dividends) on this year's federal income tax return. This is the lesser of the policy's value or his cost. In his 35%

PHOTO BY JOSEPH V. LABOLITO



Paley Library



federal income tax bracket, this deduction will generate an income tax savings of \$6,300. Thus, Stephen's net cost of making this generous gift is only \$15,700 (\$22,000 cash surrender value minus \$6,300 tax savings). Stephen also will be allowed income tax deductions for the annual premiums he will provide to keep the policy in force.

The New Policy

Perhaps you do not have life insurance coverage that has outlived its purpose, but still want to make a significant charitable gift at a reduced cost. You can purchase a new life insurance policy and transfer ownership of the policy to Temple. All the premiums you pay will be tax-deductible. A very popular arrangement is to purchase a policy that will be paid up in ten years. This can be an excellent way to make a significant gift in convenient installments to the University at modest after-tax cost...without decreasing the estate left to other beneficiaries. This is an excellent means to fund a named endowment at the University for pennies on the dollar.

Let Us Hear from You

To explore this topic further, please send for our new in-depth booklet, *Gifts of Life Insurance — Effective Ways to Make Them*. Simply complete and return the enclosed reply card or contact us at 1-800-822-6957.

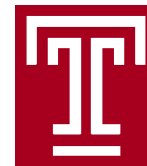
REPLACING WEALTH DONATED TO TEMPLE UNIVERSITY

Some people hesitate to carry out their philanthropic desires because they fear they will deprive their family of needed assets. Such individuals pay a price in loss of personal satisfaction, not to mention income tax and estate tax savings.

To address the competing priorities of family financial security and philanthropic commitment, a planning technique called "wealth replacement" or "capital replacement" has evolved. Wealth replacement involves the combined use of a charitable remainder trust and a life insurance policy.

Here's how the capital replacement technique works. Let's say a married couple has a combined estate of \$5,000,000. One of their major assets is real property worth \$800,000 that provides little income but is highly appreciated. By transferring this property to a charitable remainder trust that will ultimately pass to Temple, the couple can generate a much better current income (say 5% or \$40,000 a year), avoid an immediate capital gains tax on the appreciation, and receive a large income tax deduction in the year of their gift. Because the property placed in the trust will be free of the federal estate tax, they will also reduce their potential federal estate.

They can use the tax savings from the charitable deduction and/or part of their increased income to buy \$800,000 of low-cost survivor life insurance that will be paid to their children at the death of the surviving spouse. This arrangement replaces the asset that is donated to the University, gives the couple a great deal more income during their lives, reduces their taxes, and provides a major gift to support Temple's schools, colleges and programs.



Your Legacy. Their Future.

TEMPLE UNIVERSITY CHARITABLE GIFT ANNUITIES

When you establish a charitable gift annuity with a gift of cash or securities, Temple will pay you a fixed income for life.

Leave a legacy.

Support an endowment or scholarship at any of our schools and colleges.

Shape the future.

Help Temple students for generations to come.

Increase your income.

Earn a fixed income for life, at better rates than CDs or stock dividends.

Take a tax deduction.

Claim a charitable deduction in the year you establish the gift annuity.

Single-Life Income Payout Rates

AGE	RATE
60	5.7%
65	6.0%
70	6.5%
75	7.1%
80	8.0%
85	9.5%
90 +	11.3%

Two-Life Income Payout Rates

AGE	RATE
60 & 60	5.4%
65 & 65	5.6%
70 & 70	5.9%
75 & 75	6.3%
80 & 80	6.9%
85 & 85	7.9%
90 & 90	9.3%

PHOTO BY TERRY WILD

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