



UNIVERSITY
OF MIAMI

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Planning FORWARD

In times of uncertainty

Ideas for Giving and Moving Forward in 2020

In this unprecedented time as our humanity is being tested, the University of Miami continues to stay strong and move forward with its important and vital work. Many of our alumni and friends are looking for ways to help us respond to current and future needs, including patient care, medical research, innovation and much needed student scholarship funds.

In response to COVID-19, Congress recently enacted several tax law changes. The University of Miami has created this page to offer resources to help you with your tax planning and to offer some ideas to consider if you are thinking about making a gift in support of our mission. Your generosity during this challenging crisis can and will truly make a difference.

CARES Act

March 27, 2020, The CARES Act passed which includes several key tax provisions in the bill to encourage giving.

These include:

- A new deduction can be taken for charitable donors who file taking the standard deduction. If you do not itemize but make a gift to charity, you may now take a special above-the-line tax deduction, up to \$300, to reduce your tax liability.
- The limits on charitable contributions have been changed. Now, donors can take advantage and deduct up to 100% of their annual income for cash gifts. Previously, the deduction was capped at only 60% of the donor's annual income. This year, by making a gift you will be entitled to a greater tax deduction.

Donor Advised Funds

If you have a Donor Advised Fund (DAF) and wish to help us this year, you can make a gift from your DAF to support our work without affecting your personal financial security.

Charitable Gift Annuity

If you are concerned about your financial security given all the recent volatility in today's financial markets, you may want to consider making a gift to fund a Charitable Gift Annuity. You can transfer your low-performing stock, CDs or cash, in exchange for guaranteed fixed payments for life.

The amount of the payment depends on your age, and a portion of the payment may even be tax-free. By making a gift of an appreciated asset, you can avoid having to pay a capital gains tax when you fund the annuity. Best of all, you may also benefit from a substantial tax deduction this year while helping to fuel UM's mission.

Bequests

A bequest in your will, trust or other estate plan is the easiest and most flexible way you can support UM. Bequests can be made in many different forms, as a percentage or residual bequest of your estate after all other distributions to loved ones are made. By making a bequest you will not only reduce the tax burden on your heirs, but you leave a lasting legacy of support. We are happy to provide you or your attorney with sample bequest language to complete your charitable gift. If you have included UM in your estate plans, please let us know so we can express our sincere gratitude.

SECURE Act

In December 2019, Congress passed the SECURE Act, limiting stretch payments to IRA beneficiaries to 10 years. If you planned to benefit your children with your IRA, your heirs will now pay higher taxes on the inheritance they receive from you. When you revisit your estate plan, consider funding a testamentary charitable remainder unitrust with your IRA balance. This plan can provide lifetime payments to your heirs and spread out the taxes on their inheritance.