

Pathways

A Lasting Legacy

A FINANCIAL AND CHARITABLE PLANNING GUIDE

Discover the Secret to Avoiding Capital Gains Tax



Do you know what happens if you sell your appreciated assets? Generally you will owe capital gains tax. What if you could avoid that capital gains tax and not have to worry about selling your assets, all while making a difference in the world?

You can accomplish all of those things by using your appreciated assets to make a charitable gift. Donating an asset that has increased in value can potentially save you thousands of dollars in capital gains taxes that would have been due if the asset were sold instead of donated. Such assets may include stocks, bonds, mutual fund shares or a vacation home you no longer care to maintain.

When you donate an appreciated asset you have owned long term

(more than one year), you are generally entitled to an income tax deduction for the fair market value of the asset. It does not matter how much you paid for that lake house 20 years ago—you can deduct it at today's value. Also, using your securities or real estate portfolio instead of cash to make a gift may let you give more than you ever thought possible, thereby allowing you to receive larger tax deductions.

Most important, giving an appreciated asset to the Community College of Philadelphia Foundation allows you to create a legacy that reflects your values and supports our mission.

To learn if this way to give is right for you, or if you would like more information, please give us a call.

Benefits of Donating Appreciated Assets You've Owned for More Than a Year

- You receive an income tax deduction now.
- You avoid capital gains tax.
- You don't have to worry about selling the assets.
- You are able to partner with us in making a difference in the lives of others.

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Changes in Your Life May Require Changes in Your Will

If you died today, how would it affect your loved ones? For starters, if you don't have an up-to-date will, your property may not be distributed in the manner of your choosing. In addition, you may lose more of your estate to taxes than necessary, and intended bequests to the charitable organizations you support could go unfulfilled.

A will is a reflection of your life and property at a given moment in time. It may provide for some contingencies, but it doesn't automatically adjust itself as your life changes. Here are four life events that should cause you to review and possibly revise your will.

EVENT NO. 1 *Retirement*

If your retirement results in a move to another state, be aware that tax and probate laws may vary. A new will could save money and expedite estate administration. If you named

a bank or trust company in your old state as executor or personal representative, you may want to substitute one in your new state.

If you simply plan to travel, consider adding a revocable living trust to your estate plan. A trustee can look after your investments and, in some situations, even pay your bills. After your lifetime, the trust can avoid probate and continue for your spouse's benefit or distribute the principal to designated beneficiaries.

EVENT NO. 2 *Death of a Spouse*

You can structure your will to provide for other beneficiaries if your spouse predeceases you. You may want to change the way your estate will be divided, include a memorial gift to our organization in honor of your spouse, or select a new executor or personal representative. Consult your attorney to ensure that your will fulfills your wishes.

This is an opportune time to get other documents in order, too: a living will and medical directive to define your wishes about medical care, and a durable power of attorney to designate someone to handle your financial affairs if you become incapacitated.

EVENT NO. 3 *Change in Marital Status*

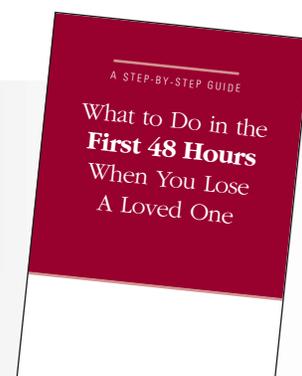
If you get married, you'll want to provide for your new spouse through an up-to-date will. Without a will, common-law states usually give a spouse only one-third or one-half of an estate.

It is also important to review the beneficiaries of your life insurance, retirement plans and other employee benefits.

In case of divorce, see an attorney and make a new will immediately. If you die before you make one, depending on your state's laws, your ex-spouse *may* collect from your will. If you

If a Loved One Died, Would You Know What to Do?

Wouldn't it be nice to be able to reach for a guide that helps you in those first critical days after your loved one is gone? Such a guide exists and can be yours **FREE**. Return the enclosed reply card for your copy of *What to Do in the First 48 Hours When You Lose a Loved One*.



FREE GIFT!



are legally separated but not divorced, your spouse can collect.

Consider removing your former spouse as beneficiary of your life insurance, retirement assets and revocable trusts, unless restricted by a divorce decree. Also, revise any power of attorney, medical directive or living will that names him or her.

If you remarry, it is wise to make a new will promptly to reflect your wishes for your new spouse and others you want to benefit.

If you both have substantial assets and you want to limit your spouse's share of your estate, consider making an agreement with your intended spouse before you marry. Generally, this helps determine the desired allocation and distribution of assets with respect to both estates.

EVENT NO. 4 ***Births of Grandchildren***

The expansion of your family through a birth is an exciting milestone. Caring for grandchildren during your lifetime is a simple pleasure. Make sure they are also cared for after you are gone by updating your will.

If you plan to leave sizable bequests to your grandchildren, consider creating a trust in your will to hold and manage the money until they are older.

Don't Expose Your Estate To Chance

See your estate planning attorney to be certain that your will is timely and complete. We can also assist you with finding ways to include our organization in your plans.



Q&A Updating Your Beneficiary Designations

Q. My spouse recently died. Of my important assets, which beneficiary designations need to be updated, and how do I go about doing this?

A. Many of your assets will be distributed at your death according to various title, beneficiary and contractual provisions associated with each one. Most likely, ownership of any real estate and bank accounts you held jointly with your spouse was automatically transferred to you as the survivor. You will now need to choose an individual or organization to inherit them at your death. Life insurance and retirement plans go to the beneficiary you designate on the form. Trust agreements and business contracts name the beneficiary within the legal document. In nine states, one-half of community property belongs to the surviving spouse.

As your circumstances change, so should your beneficiary designations. Unless done cautiously, altering title and beneficiary arrangements may have undesirable legal or tax results. It's best to seek the help of an estate planning attorney. We are also available to guide you in the right direction.

How to Change Beneficiaries

Submit new beneficiary designation forms:	Sign new account forms (if held jointly, both parties must sign):	Contact an attorney:
<ul style="list-style-type: none">• retirement plans• life insurance	<ul style="list-style-type: none">• bank accounts• brokerage accounts	<ul style="list-style-type: none">• trusts • real estate• business contracts

Let Their Memory Live On

Life is about relationships. Having people in your life that mean a great deal to you is a wonderful gift. When those people pass away, a memorial gift can be a worthy tribute.

Memorial gifts come in various shapes and sizes—but they all provide permanent and lasting recognition to the loved ones, mentors and friends who made a significant impact on your life.

Memorial gifts accomplish two meaningful goals: They commemorate and honor a loved one while supporting the mission of a worthy charitable organization such as ours. Memorials can take many forms, such as:

- A nameplate at a public landmark

- A bench in a favorite park
- A camp scholarship to help deserving children
- A research endowment to recognize someone who battled a disease
- A library donation for a book lover

You can even name a star for a significant person in your life, with part of your donation going to a charitable organization.

Memorial gifts allow you to reflect on the past by honoring the loved ones who have been a vital part of your life. The type of memorial you select is less important than the motivation of giving from the heart. Contact us to learn more about memorial opportunities with our organization.



Expanding the Path to Possibilities

The Pennsylvania Department of Education recently approved the College's two capital expansion projects. The College will have the opportunity to enhance our ability to serve students, strengthen and expand instructional resources, and improve the rate of student success. You can help through the *Campaign to Expand the Path to Possibilities*.

The \$60 million building project (50 percent funded by the State) will create a new dining pavilion at our Main Campus complex, add new and expanded instructional space, and create a "one-stop" student services center. At our Northeast Regional Center, the College will construct a second building, which will accommodate new degree programs, create a smaller version of the "one-stop" student services center and a new small business development center, and add much needed technology rich space.

The campaign will offer significant naming opportunities, giving donors the ability to honor a family name, promote a business or commemorate others who are deserving of a permanent symbol of recognition.

We're excited about this vision for our future and will be providing campaign updates at every opportunity. Please contact the Vice President for Institutional Advancement, Susan Piergallini, at spiergallini@ccp.edu or (215) 751-8205 with any questions about the *Campaign to Expand the Path to Possibilities*.

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