



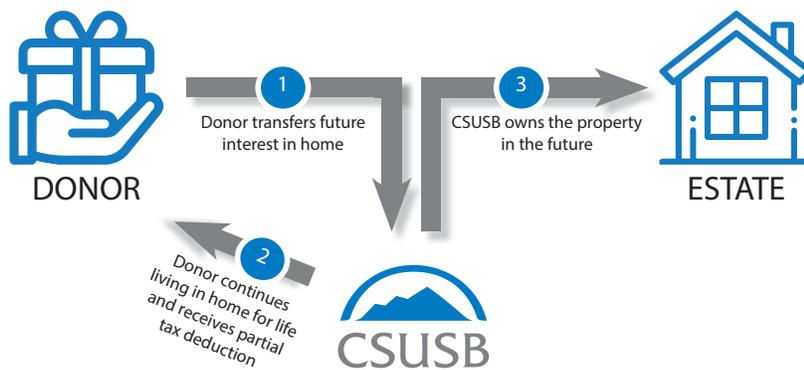
COLLEGE OF NATURAL SCIENCES

**RETAINED  
LIFE ESTATE  
GIFT GUIDE**



CALIFORNIA STATE UNIVERSITY  
**SAN BERNARDINO**  
Planned Giving

# WHAT IS A RETAINED LIFE ESTATE?



A Retained Life Estate is a way to utilize your home as a method for giving a transformational planned gift to CSUSB while maintaining the right to live in and enjoy the property for the rest of your life.

## HOW DOES A RETAINED LIFE ESTATE WORK?

A retained life estate may be created by deeding your home, farm, or ranch to Cal State San Bernardino. A key provision is included in the deed that reserves your ability to continue to use and enjoy the property just as you always have. This right of use – called a life estate – can last for the duration of your lifetime (and another person’s life) or a number of years. When the person who owns the “life estate” passes on, CSUSB will make full use of the property or sell it and use the proceeds to further secure the future of the university and that of its students.

## BENEFITS OF GIFTING A RETAINED LIFE ESTATE

**Income Tax Deduction:** You can receive an income tax deduction this year even though CSUSB won’t own or use your property until the future.

**Flexibility:** A retained life estate is a great way to give if you want to support CSUSB with a gift today without using cash or other assets. It is especially attractive if you own property that has appreciated in value, you are willing to give the property away, and you don’t plan to pass it on to your heirs.

**Immediate:** A retained life estate offers you the opportunity to make a meaningful gift *this year*, while also receiving a tax-saving charitable deduction.

**Simple Gift:** While there are issues to consider, such as who will pay for the maintenance, insurance, and property taxes, the arrangement is generally as simple as transferring your property under state law.

# PROPERTY FOR A RETAINED LIFE ESTATE

## QUALIFIED PROPERTY

Nearly any property you use as a residence or for agricultural purposes will qualify as a viable retained life estate gift.

### Residential Property

You may take an income tax deduction for a gift of any property used as a personal residence. A personal residence is “any property used by the taxpayer as their personal residence even though it is not used as their principal residence.”

### Vacation Property

Your vacation home or even stock owned by you as a tenant-stockholder in a cooperative housing corporation may be used if the home is used by you as your personal residence.

### Farm Property

A remainder interest in a farm also qualifies for a retained life estate charitable income tax deduction. A farm is any property (including the fixtures, buildings, grain bins, and other permanent improvements) you or your tenant may use for the production of agricultural products or the sustenance of livestock.

# DETAILS TO CONSIDER

## PRACTICAL CONSIDERATIONS

Your personal circumstances may require special consideration when creating a retained life estate.

### Restrictions

The deed creating your gift to CSUSB must be unrestricted. You may not, for example, require the university to sell the property and divide the proceeds with another individual or organization.

### Mortgages

Please have a conversation with us and your advisor if you wish to use mortgaged property. Your deduction may be based only on the equity you own in the property. Any indebtedness secured by the property will pass with the property to CSUSB.

### Retirement Homes

If you later need to move to a retirement facility, you can still maintain your charitable gift. You have the ability to lease the property and receive rental income for the remainder of your life or the life estate term.

### Maintenance Insurance and Taxes

At the time you create your life estate, you will need to sign a separate agreement stating your obligations as life tenant. You will be required to continue to pay for the maintenance costs, insurance, and property taxes.

### Terminating the Remainder

Once the life estate is created, you may sell the portion of the property reserved for your use to CSUSB, or simply give it to the university early. You and CSUSB may also agree to sell the property to a third party.

### Charitable Gift Annuity

It is possible to exchange your right to use of the property for fixed lifetime payments from a charitable gift annuity.

## ONE GIFT, A LIFETIME INVESTMENT.

You can give your property to CSUSB and still live in it.

A retained life estate is a great way to help **transform tomorrow** at CSUSB today. By deeding your farm or residence to the university, you will receive an immediate income tax deduction and retain the right to continue to use and enjoy the property. Contact our Office of Planned Giving to learn more or view a custom illustration with your property and tax savings.





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