

# FINANCIAL *GUIDE*

- RECOGNIZING EXCEPTIONAL TEACHING AT PURDUE
- YOUR QUESTIONS ANSWERED: RETAINED LIFE ESTATE GIFTS
- TAX CUTS AND JOBS ACT
- THEN AND NOW

## RECOGNIZING EXCEPTIONAL TEACHING AT PURDUE

**"You can show published work, but it's difficult to prove talent when it comes to teaching."**



BRUCE  
LAZARUS

**WHEN PROFESSOR EMERITUS BRUCE LAZARUS CONSIDERED HOW TO GIVE BACK, Purdue was at the top of his list. After a successful career, including 11 years in the White Lodging-J.W. Marriott, Jr. School of Hospitality and Tourism Management, he wanted to do something that would recognize individuals who exhibit greatness in teaching practices.**

An honored recipient of both the Mary L. Matthews Outstanding Undergraduate Teaching Award and the university-wide Charles B. Murphy Outstanding Undergraduate Teaching Award, he understood the importance of recognizing exceptional professors. By establishing an award within his school, he hopes to support instructors pursuing tenure status at Purdue. "You can show published work, but it's difficult to prove talent when it comes to teaching," he says.

The endowment Lazarus established provides prize money in perpetuity for an assistant or associate professor who has demonstrated teaching excellence and leadership within the school. The award—later named for him—factors in both student and administrative feedback.

Lazarus initially intended to establish the endowment via an estate gift but wanted to see the benefits of his contributions during his lifetime. Over the course of several years, he strategically contributed gifts of cash, securities, and grants from his donor advised fund to initiate the endowment, which made

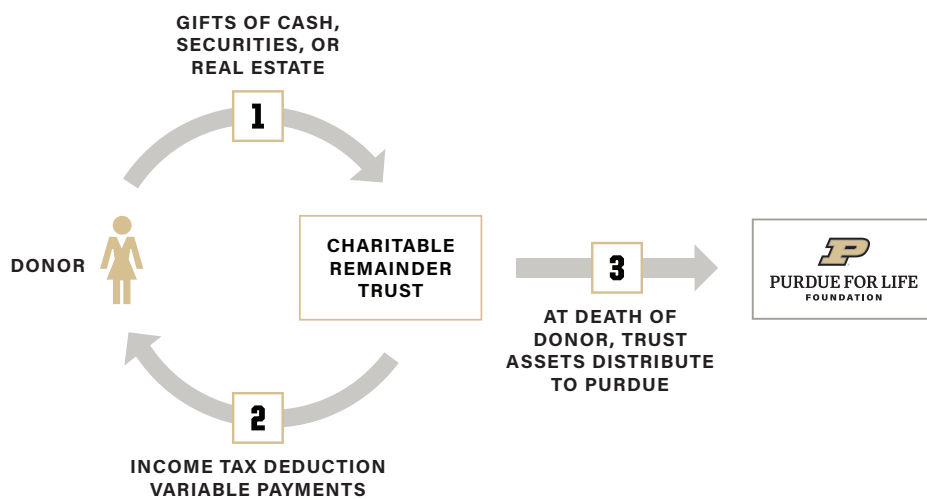
its inaugural award in the spring of 2023 to Stephen Leitch, a clinical assistant professor (*see sidebar, next page*).

While the teaching award is now up and running, there are plans to fund it further through a charitable remainder unitrust (CRUT), a type of trust that provides income to named beneficiaries during their lifetime before ultimately supporting a qualified charity.

Prior to deciding on the CRUT, Lazarus carefully considered his options while exploring charitable gifts that would provide a lifetime income stream. He compared and contrasted the CRUT to a charitable gift annuity (CGA), which would have also provided payments for life. Explaining his decision to go with the CRUT, Lazarus notes, "Interest rates were much lower in early 2022, and the CRUT had better long-term potential for growth since it is invested and not fixed like a CGA."

Lazarus and his husband, Phil, receive a 5% distribution each year based on the trust's market value. They also received a charitable tax deduction equivalent to what the actuarial tables predict will be left for the teaching award when the trust ends.

The CRUT allows Lazarus to make additional contributions to the trust when the timing is right for him. He has transferred highly appreciated securities on three separate occasions over the last two and a half years, further increasing the



trust's market value. Like many Purdue alumni, Lazarus owns Eli Lilly and Company stock, which has seen tremendous gains during the last couple of years. He recently opted to transfer shares of his stock, which, if sold, would have resulted in significant capital gains. By transferring the stock to the CRUT instead, he bypassed the upfront capital gain, and his CRUT distributions are taxed based on how the trust earns income.

When market conditions are favorable, Lazarus plans to continue making additions of appreciated securities to the CRUT. His ultimate goal is to grow the principal to an amount large enough to create a second endowment at the university. "Purdue, as an employer, was very good to me," Lazarus says. "This is my way of giving back to the university and the students." ◊

**I was truly honored to receive the Bruce Lazarus Award for Outstanding Undergraduate Teaching in 2023. This recognition is humbling, as I feel privileged to play a role in shaping our future leaders. I believe that active learning, critical thinking, and practical application are essential for student development.**

My goal is to create an inclusive classroom where students feel encouraged to share their unique perspectives, engage in collaborative learning, and apply theoretical concepts to real-world situations. By fostering an interactive, engaging, and supportive environment, I aim to empower students to become independent thinkers and lifelong learners and to be excited about the possibilities ahead.

I am immensely grateful to Bruce, my colleagues, and my students for their support and enthusiasm for teaching. This award motivates me to continue pushing the boundaries of innovative teaching practices and to further enhance the educational experience for all students at Purdue University.

**Stephen Leitch**  
 Clinical Assistant Professor  
 White Lodging-J.W. Marriott, Jr. School  
 of Hospitality and Tourism Management



**STEPHEN LEITCH**



### CURRENT CHARITABLE GIFT ANNUITY (CGA) RATES

AGE	1-LIFE RATE	2-LIFE RATE
60	5.2%	4.7%
65	5.7%	5.0%
70	6.3%	5.5%
75	7.0%	6.2%
80	8.1%	6.9%
85	9.1%	8.1%
90	10.1%	9.8%

Actual rates may vary based on the monthly mid-term rate used.

## ***YOUR QUESTIONS ANSWERED: RETAINED LIFE ESTATE GIFTS***

In the spring issue, we shared a story about a retained life estate gift where the donors deeded their home to Purdue in exchange for lifetime occupancy and a charitable tax deduction for the appraised value, minus their remaining life interest. Several Boilermakers have since asked what happens if the donor decides to vacate the property early.

You have two options in this situation:

- Surrender the remaining life estate, and receive an additional charitable tax deduction.
- In collaboration with the charity, rent the property and keep the income, or sell the property with the proceeds divided between the charity and the donor.

A retained life estate is not limited to the donor's primary residence. Vacation homes, rental properties, and farms are all possibilities. ◊



## ***THE TAX CUTS AND JOBS ACT COULD IMPACT YOUR ESTATE PLAN***

Many of the provisions included in the Tax Cuts and Jobs Act of 2017 bill—such as simplified income tax rates and increased child tax credits and standard deductions—are set to expire in 2025 if Congress doesn't extend them. If the bill sunsets, these items could all revert to 2017 levels with an index for inflation.

The 2017 federal estate tax exemption limit for an individual was \$5.49 million.

Indexed for inflation, this is roughly \$7 million today. Estates valued above the exemption are subject to a federal estate tax (40%) on the amount that exceeds the limit.

If the bill expires, it could provide tremendous incentive for charitable giving that benefits both the donor and Purdue. We encourage you to consult with your counsel or financial

planner for the most personalized guidance, and we look forward to sharing new opportunities should current laws change. ◊

## THEN AND NOW

A renovation of Helen B. Schleman Hall of Student Services has created the Hall of Data Science and AI in the heart of Purdue's campus. Here, form meets function as students and faculty pursue interdisciplinary projects across the sciences, engineering, and liberal arts to create, problem-solve, and harness data for the greater good. Following renovations of its own, Stewart Center has become the principal destination for student services, including admissions, financial aid, bursar, and registrar functions. ◻



**Helen Schleman**  
was dean of women  
from 1947 to 1968.



## PLANNED GIVING

### PURDUE FOR LIFE FOUNDATION

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Planned Giving facilitates philanthropic giving across the Purdue University system, which includes the West Lafayette, Indiana, campus; Purdue Northwest; and Purdue University Fort Wayne.

Please note: The Purdue for Life Foundation is a tax-exempt public charity and does not provide tax, legal, or financial advice. Any document or information shared by our staff is intended to be educational and informational. Purdue strongly encourages all of our benefactors to seek counsel from their own legal and financial advisors. Please know that any information or documents shared by the development staff cannot be used to avoid tax-related penalties.

The Purdue for Life Foundation is an independent organization that acts for the benefit of Purdue University // CPCA0924 // EA/EOU

