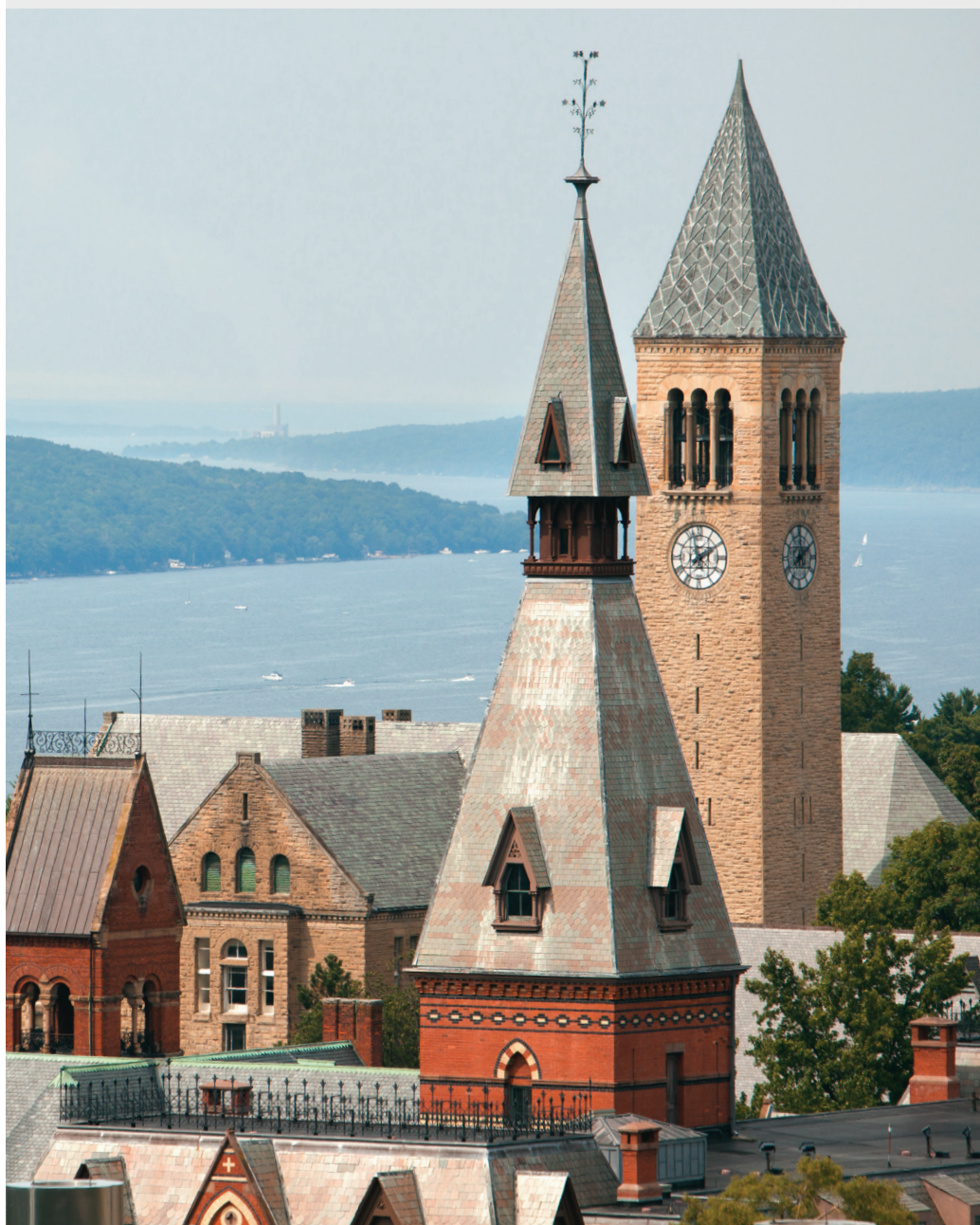
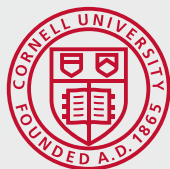


SPRING 2026

# VESTED INTEREST

Gift planning newsletter from Cornell University



# Retirement assets: Three important questions

**1** How can I turn my savings into income?  
You may have multiple sources of retirement income, including Social Security and required minimum distributions (RMDs) from qualified retirement accounts and IRAs. But is that enough? With a charitable gift annuity (CGA), it's possible to create an additional income stream while helping to meet your charitable goals.

A CGA is an agreement between you and Cornell—in exchange for your gift of cash or other property, we agree to pay you a fixed amount monthly or annually for life. That payment amount is based on:

- The amount of the gift (higher gift amount = higher payment amount)
- The age(s) of whoever will receive the payments (older = higher payment amount)
- When payments will begin (longer deferral = higher payments)
- The current rates for CGAs (which are high right now)

A gift annuity is part gift and part annuity, meaning you are only eligible for an income tax deduction for the gift portion. Until the annuitant reaches life expectancy, part of each annuity payment is considered a tax-free return of principal, meaning tax is only due on a portion of the payment.

**Example:** Joni, age 70, recently retired as a partner in a law firm. She has been a faithful supporter of Cornell and wants to make a more meaningful gift now but is also interested in creating a new income stream for retirement. Joni gives us \$100,000 to establish a CGA. She will receive annual payments of \$6,300 (a payout rate of 6.3%), and \$4,145 of each payment will be tax-free until Joni reaches her life expectancy. Her gift qualifies for a charitable deduction of \$35,748 (subject to limitations).\*

*\*Example is for illustrative purposes only, based on an AFR of 4.6%.*

## Deferred charitable gift annuities

You can choose to start annuity payments a year or more in the future. Generally, the longer the deferral period, the greater the annual payment amount. This can be a useful tool for those wanting to turn a high salary or bonus into additional security for retirement planning—all while benefiting Cornell's students.

2

## Is there a way to soften the tax impact of RMDs?

If you are an IRA owner, you must begin taking taxable required minimum distributions at age 73. But what if you don't need them or even want them? Starting at age 70½, you have a unique opportunity to bypass this taxable income by making a gift directly from your IRA to Cornell. There are three distinct benefits to these qualified charitable distributions (QCDs):

- The distribution is **tax free** (up to \$111,000 in 2026).
- The distribution **counts toward your RMD** if one is due.
- You can make this gift year after year if you wish.

You can arrange this gift through your account custodian, but please notify us as well. We will verify that your gift is received and provide documentation for your records.

### **A one-time life-income option**

You have one opportunity to make a tax-free distribution of up to \$55,000 (in 2026) to create a new charitable gift annuity that provides a fixed lifetime income to you and/or your spouse. Spouses may combine QCDs from their separate IRAs to create a joint-life CGA.



3

### Do some assets make better gifts than others?

What you choose to give will depend entirely on your situation, needs, and goals, but retirement assets are always a strong candidate for charitable giving. These assets are taxed when distributed from the account, whether to you during your lifetime or to your heirs who inherit the account. For most nonspouse heirs, this tax burden is made greater by the fact that they must deplete the account within 10 years. If you have passed on a sizeable amount, that creates a large tax burden.

As a qualified charitable organization, Cornell does not owe tax on any gifted retirement assets—the entire amount goes to supporting our students, faculty, research, programs, and campus. Therefore, if you want to make a difference at Cornell *and* provide for loved ones, it makes sense to leave retirement assets to us and designate other assets to heirs (assets without an income tax bite).

**Example:** Lynn wants to support Cornell with a gift of \$250,000 and leave the rest of her estate to her son, William. Her major assets consist of an IRA and a portfolio of appreciated stock. Her advisor tells her there is a distinct advantage to naming Cornell the IRA beneficiary and leaving the stock to William. We will receive the IRA funds free of tax, but if William inherited the IRA, he would be taxed on each distribution. It would be better for William to receive the stock—not only is no income tax due on the transfer, but the stock receives a step-up in basis, which shields the appreciation from tax when William sells the stock.



## Your plan for strategic giving

Using retirement assets to meet charitable goals can be simple and powerful. Learn more with our free brochure, ***Retirement Planning and Charitable Giving***, which walks you through planning options for various stages of life that effectively weave philanthropy into your retirement plan.

**With every gift, you  
support students,  
touch communities,  
and help Cornell do  
the greatest good.**



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## Secure your retirement. Shape your legacy. Support Cornell.

- Please send your free brochure, ***Retirement Planning and Charitable Giving.***
- Please send more information about:
- a charitable gift annuity
  - a gift from my IRA (age 70½ or older)
- I am considering / have already made (circle one) a future gift to Cornell University in my will or through a beneficiary designation.
- I would like to know more about \_\_\_\_\_  
\_\_\_\_\_.

Honoring those who have established a planned gift for Cornell University



Please mark items of interest.

Fold and tape the card and return it to us.

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NAME

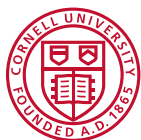
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**Cornell University**

## Supporting leadership development through the Hubert and Felice Gordon Scholarship

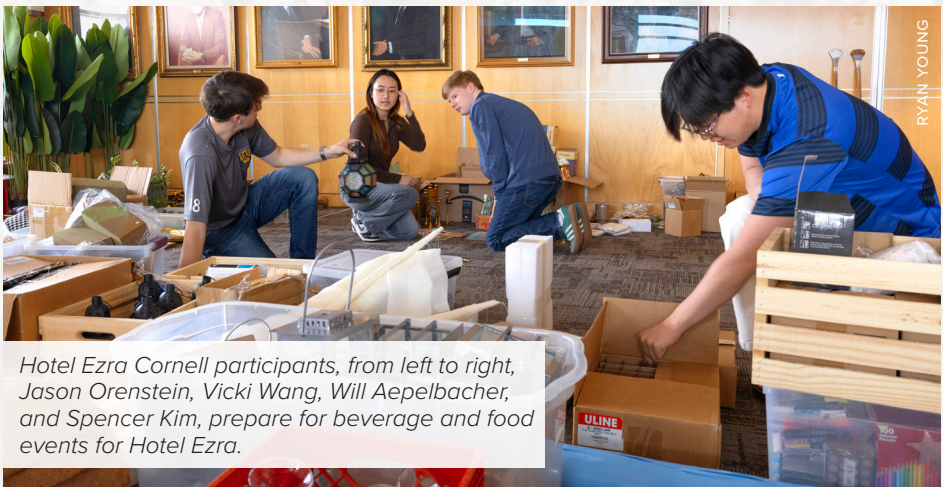
Will Aepelbacher grew up in a family where education was always valued for the opportunities it could create. As one of three siblings attending college simultaneously, he witnessed firsthand how meaningful financial support can be. The Hubert and Felice Gordon Scholarship made his education at the Nolan School of Hotel Administration more accessible while reducing the need for student loans.

“This support allowed me to focus more on my learning and leadership activities during my undergraduate studies,” Will explains. “I’ve gained hands-on experience and grown as a leader through opportunities like Hotel Ezra Cornell, the Hotel Leadership Development Program at the Statler, along with many other clubs and extracurriculars.”

After graduating, Will began his career in data analytics at a large hospitality company, with plans to return to graduate school in the future. His experience demonstrates how scholarships create space for the practical experiences that transition students into career success.

Will’s gratitude extends beyond his personal success. “I am deeply grateful to donors such as the Gordon family, whose generosity has shaped my time at Cornell,” he reflects. “Scholarships like these give students more of an opportunity to pursue extracurriculars, experiential learning, and passions that will help shape their futures.”

His journey from scholarship recipient to hospitality professional demonstrates how donor support creates a ripple effect that extends beyond tuition payments to enable meaningful engagement and leadership development.



RYAN YOUNG

*Hotel Ezra Cornell participants, from left to right, Jason Orenstein, Vicki Wang, Will Aepelbacher, and Spencer Kim, prepare for beverage and food events for Hotel Ezra.*

## Friends of Cornell,

From flowering trees around the Ithaca gorges to the beautiful progression of March daffodils through June lilacs, spring embodies renewal and fresh possibilities. If you're navigating retirement or helping aging parents with financial planning, this season of renewal might be the perfect time to discover how retirement assets can create new opportunities for both charitable giving and tax-smart strategies.

The strategies in this newsletter can help you turn required distributions into meaningful gifts, create steady income streams, or ensure your assets go exactly where you want them with the least tax burden on your heirs. What excites me most is how these approaches allow you to support Cornell's mission while often improving your own financial picture.

We're always here to walk through these options with you and connect you with the right resources. Every situation is different, and there's no one-size-fits-all approach to charitable giving.

Thank you for the trust you place in Cornell and for considering how your legacy can help shape the university's future. Your generosity makes extraordinary things possible.

With warm regards,



Carine J. Hails  
Executive Director, Gift Planning

(800) 481-1865 | [gift\\_planning@cornell.edu](mailto:gift_planning@cornell.edu)



**CORNELL UNIVERSITY**  
GIFT PLANNING  
130 E SENECA ST, SUITE 400  
ITHACA, NY 14850