

# GIFT ANNUITIES

## PLANNED GIVING AT THE LAW SCHOOL FOUNDATION

### *The Charitable Gift Annuity: The Gift That Gives Back*

A charitable gift annuity allows you to create a special legacy at the Law School and receive a guaranteed annuity for the rest of your life.

#### **How Does It Work?**

A charitable gift annuity is a simple contract with the University of Virginia Foundation\* under which you contribute assets to the Foundation in exchange for a fixed annuity payment for the rest of your and/or your designated beneficiary's lifetime(s). At the end of the contract term, the remaining

amount in the contract will be distributed to the Law School Foundation to be applied for the purposes you designate.

*\*The UVA Foundation is the contractor for all gift annuities that benefit the University's various schools and units.*

#### **Attractive Rates**

The University of Virginia Foundation offers the maximum charitable gift annuity rates recommended by the American Council on Gift Annuities. The rates are based on annuitant age at the time the contract is executed. Examples of applicable rates are shown to the left.

#### **Fixed, Guaranteed Payments for Life**

A gift annuity is for life. Your annual payment will be fixed at the time you fund your gift annuity and will not be affected by investment performance or changes in interest rates over time. The payments are backed by the full assets of the University of Virginia Foundation  
*(cont'd, next page)*



Receiving Income, Benefiting the Law School.

*Here's how it works:*

*Mr. Kimble is 72 years old. He funds a gift annuity with \$25,000 in cash.*

*Based on his age, he will receive an annuity rate of 6.7%, yielding quarterly checks in the amount of \$418.75 (\$1,675 annually) for the rest of his life. Mr. Kimble will also receive an income tax charitable deduction of \$11,480.*

*When Mr. Kimble dies, the money left in the gift annuity contract will be distributed to the Law School Foundation to be applied to the Law School's benefit for the purposes Mr. Kimble designated in his contract.*

#### **Examples of Gift Annuity Rates For a Single Person\*\***

Age	Rate
65	6.0%
70	6.5%
75	7.1%
80	8.0%
85	9.5%
90 and over	11.3%

*\*\*Note: Rates are slightly lower when the annuity is for two people. Like most charities, the University of Virginia Foundation uses the rates recommended by the American Council on Gift Annuities.*



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## *The Charitable Gift Annuity* (continued)

and will continue for you and/or your beneficiary for the entire contract term. The guaranteed payment stream, usually paid in quarterly installments, can provide additional security for you and/or your designated beneficiary.

### **Relief from Taxes**

Since part of your contribution for a gift annuity is considered a charitable donation by the Internal Revenue Service, you will be eligible to claim an income tax charitable deduction in the year of your contribution. Also, depending on the assets you use to fund your annuity, part of your annuity payment each year may be tax-free income.

### **Simple Process**

Setting up a gift annuity with the University of Virginia Foundation to benefit the Law School is much easier than you might think. Gift annuities can be funded with a minimum of \$5,000 in cash, marketable securities, or even real estate, and the University of Virginia's Office of Gift Planning will prepare the contract for you.

### **Available in Most States**

The University of Virginia Foundation is able to offer gift annuities in most, but not all, states. Please contact the Law School Foundation or consult the University of Virginia Gift Planning Office Web site at [www.virginia.edu/giftplanning](http://www.virginia.edu/giftplanning) to learn whether your state is eligible.

### Don't Need the Income Today? Try a Deferred Gift Annuity

*Like a standard charitable gift annuity, a deferred charitable gift annuity offers you payments for life and an immediate tax deduction. But with a deferred gift annuity, you pick a date a year or more in the future on which to begin receiving payments. By deferring payments, you receive a larger annuity payment and a larger charitable deduction. For example:*

*Mr. and Mrs. Baker (both age 60) are interested in funding a gift annuity to support the Law School. They plan to retire at 65 and want to find out how a five-year deferral will affect their annuity income. With a \$25,000 initial contribution, the comparative estimated benefits are as follows:*

	Standard Gift Annuity	Deferred Gift Annuity (payments begin at age 65)
Annuity Rate	5.4%	7.1%
Original Contribution	\$25,000	\$25,000
Charitable Deduction	\$7,793	\$9,973
Annuity Payment	\$1,350	\$1,775
Quarterly Payment	\$337.50	\$443.75

*By deferring annuity income payments for five years, the Bakers will increase their income by more than \$100 a quarter and become eligible for a larger immediate tax deduction.*

### **Whom Do I Contact?**

For more information about gift annuities, please contact Elizabeth Leverage '92 at the Law School Foundation, 580 Massie Road, Charlottesville, Virginia 22903-1738; email us at [plannedgifts@law.virginia.edu](mailto:plannedgifts@law.virginia.edu); or call 1-877-307-0158. You can also find information about other planned gifts to benefit the Law School at [www.law.virginia.edu/campaign](http://www.law.virginia.edu/campaign).

*The University of Virginia Law School Foundation does not provide legal or tax advice. We recommend that you seek your own legal and tax advice in connection with gift and planning matters. To ensure compliance with certain IRS requirements, we disclose to you that this communication is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.*

YOUR PLANNED GIFTS CONTINUE TO LAY THE FOUNDATION FOR THE LAW SCHOOL'S FUTURE....