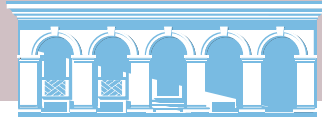


# GIFT ANNUITIES

GIFT PLANNING AT THE



UVA HEALTH SYSTEM

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

There's rarely been a better time than now to establish a charitable gift annuity with the University of Virginia Health System. Low interest rates and roller coaster markets are causing investors to think twice about their financial decisions and to consider the benefits of the UVA Health System's gift annuity program.

### Attractive Rates

When you compare our gift annuity rates with what you might receive from a certificate of deposit, you likely will be pleasantly surprised. For example, the rate of an annuity for a

70-year old is 6.1%. At age 80, the rate is 7.6%, and if you are 90 or older, you would receive 10.5%. In other words, a \$100,000 gift annuity would provide an 90-year-old individual with \$10,500 every year.

### Regular Payments

When you establish your gift annuity, you decide how often you want to receive your payments. While most annuitants receive their checks or direct deposits every quarter, others choose monthly payments. Whatever you choose, receiving regular payments on a specific date can be helpful for budgeting purposes.

### Fixed Guaranteed Income

Your payment rate will be locked in at the time you fund your gift annuity. It will not rise or fall with the economy. Instead, it will be the same every year.

### Income for Life

Gift annuities are for life. No matter what your age as an annuitant or how long you live, your payments will continue to the end of your life. And if you set up a two-life gift annuity, when one person dies, the other continues to receive the same amount for the rest of his or her life. This benefit of ongoing payments can provide security for each spouse.



RECEIVING INCOME,  
BENEFITING UVA HEALTH SYSTEM

*A charitable gift annuity is one of the most popular ways to support the future work of schools and programs in the UVA Health System. Here's how it works:*

*Mr. Kimble is 72 years old. He funds a gift annuity with \$50,000 in cash.*

*Based on his age, he will receive an annuity rate of 6.3%. He will receive a quarterly check in the amount of \$787.50 (\$3,150 annually), of which 63% will be tax-free, for his lifetime. Mr. Kimble will also be eligible for an income tax charitable deduction of \$21,015.*

*When Mr. Kimble dies, the money left in the gift annuity will support the UVA Health System in the way he designated in his gift annuity contract.*

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

<u>Age</u>	<u>Rate</u>
65	5.7%
70	6.1%
75	6.7%
80	7.6%
85	8.9%
90 and over	10.5%

\*Note: Rates are slightly lower when the annuity is for two persons. Like most charities, the UVA Health System uses the rates recommended by the American Council on Gift Annuities.

### Dependable Source

The University of Virginia Foundation stands behind all of our gift annuities. We have a reserve fund set aside to meet our obligations and, what's more, we back up our annuity obligations with the full financial assets of the Foundation. We want you to feel safe and secure and to have confidence that your payments will continue without fail.

### Relief from Taxes

Since part of your contribution for a gift annuity is considered a charitable donation by the Internal Revenue Service, you will receive an income tax charitable deduction to apply to your tax return. Also, during your lifetime, you may be able to claim part of each annuity payment as tax-free income.

### Simple Process

Setting up a gift annuity with the UVA Health System is much easier than one would think. Gift annuities can be funded with a minimum of \$5,000 in cash, marketable securities, or even real estate.

### Available in Most States

The UVA Health System is able to offer gift annuities in most but not all states. Please consult the Gift Planning Office, or check our Web site at [www.virginia.edu/giftplanning](http://www.virginia.edu/giftplanning) to see if your state is eligible.

### DON'T NEED THE INCOME TODAY? TRY A DEFERRED GIFT ANNUITY

*Like a charitable gift annuity, a deferred gift annuity offers you an income for life, based on your life expectancy, and an immediate tax deduction. The difference is in the timing of the payments. With a deferred gift annuity, you pick a date a year or more in the future to begin receiving payments. By deferring payments, you receive a larger income payment and a larger charitable deduction. For example:*

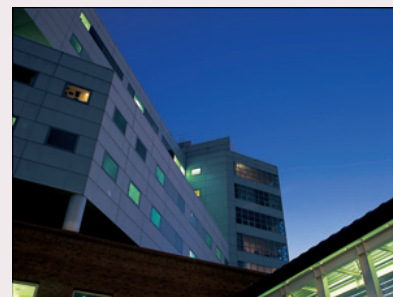
*Mr. and Mrs. Baker (both age 60) are interested in funding a gift annuity to support the UVA Health System. They plan to retire at 65 and want to find out how a five-year deferral will affect their annuity income. Here is a comparison between a deferred annuity and a non-deferred annuity, using a \$50,000 gift.*

	Gift Annuity	Gift Annuity Deferred to 65
	5.2%	6.7%
Funds Placed in the Gift Annuity	\$50,000	\$50,000
Charitable Deduction	\$9,368	\$12,688
Annuity Quarterly Payment	\$2,600 \$650	\$3,350 \$837.50
Total Before-Tax Benefit To Income Recipients	\$75,400	\$83,750
Tax-free Portion of Annuity Payment	\$1,373	\$1,497

*By deferring annuity income payments for five years, the Bakers increase their income by more than \$185 a quarter, and receive a larger immediate tax deduction as well.*

### Whom Do I Contact?

For more information about gift annuities, please contact the Office of Gift Planning, P.O. Box 400807, Charlottesville, VA 22904-4807; send us an email at [giftplanning@virginia.edu](mailto:giftplanning@virginia.edu); or call (434) 924-7306 or (800) 688-9882. You can also find more information about other planned gifts on the Gift Planning Web site at [www.virginia.edu/giftplanning](http://www.virginia.edu/giftplanning).



The University of Virginia 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 (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.