



Partners Through Giving

NEWS FROM YALE'S OFFICE OF PLANNED GIVING

Welcome to Partners Through Giving

We are pleased to send you the introductory issue of *Partners Through Giving*, a newsletter from Yale's Office of Planned Giving. For more than three centuries, Yale University has been the beneficiary of the extraordinary generosity of alumni, parents, and friends. Planned gifts, whether bequests or lifetime gifts that offer income, tax benefits, and other financial advantages, have played a significant role in shaping the Yale of today.

Partners Through Giving will highlight giving strategies that can help you achieve



The Planned Giving team (l to r): Meredith Drozd, Mary Beth Congdon, Eileen Donahue, Ellen Hope-Ross, and Betsy Gorecki

have had for themselves, their families, and for Yale.

Our goal is to provide you with information that is both interesting and practical and we encourage your comments and suggestions as we prepare future issues of *Partners Through Giving*.

With best wishes,

Eileen B. Donahue

University Director of Planned Giving

your personal, financial, and philanthropic goals. We'll keep you advised of pertinent tax law changes and offer estate planning tips for you to review with your advisors.

We will also introduce you to alumni and friends who will share their stories and the positive impact that their gifts

Why I Give to Yale

Ellen Frasca Evans '81



"I wanted to give something back to Yale to mark the major milestone of my twenty-fifth reunion. So I decided to fund a charitable gift annuity to benefit my mom during her lifetime, and ultimately to benefit Yale students.

"As a surprise, I presented the gift annuity to my mother on the occasion of her eighty-second birthday. She receives fixed quarterly payments for her lifetime and I claimed a significant income tax charitable deduction. I also received reunion and campaign credit for the full amount of my gift."

Read more about Yale's Charitable Gift Annuity Program on page 2.

IN THIS ISSUE

Charitable Gift Annuities p.2 | Giving from Your IRA to Yale Tax Free p.3 | Honoring Yale Legacy Partners p.3

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Upcoming Events

> May 16, 2008

Yale Legacy Partners
annual luncheon

Partners Through Giving is published by the Yale Office of Planned Giving.

Please direct any comments to Mary Beth Congdon, editor, at marybeth.congdon@yale.edu

Charitable Gift Annuities: *Income for You, Support for Yale*

Yale's charitable gift annuity program offers a range of benefits: dependable income for you and your family, current and future tax savings, and a way to make a meaningful gift to Yale. Whether you are saving for retirement or already enjoying it, funding the educational expenses of children or grandchildren, or looking for a creative way to provide for a loved one, a life income gift, in particular, a charitable gift annuity, can provide an excellent way to balance family, financial, and philanthropic goals.

A charitable gift annuity is a simple contract between you and Yale University. In exchange for your gift of cash or appreciated securities, the University agrees to pay you, or one or two other individuals you name, a fixed dollar amount each year for life. The payments, which are made quarterly, are secured by Yale's general resources and in most cases, a portion of each payment is tax free.

The age of the annuitants is one factor in determining the annuity rate: the older the annuitants, the greater the amount of income Yale can agree to pay.

When you make a gift in exchange for a charitable gift annuity, you qualify for a federal income tax deduction for the value of the remainder interest projected to come to Yale. If you fund the gift annuity with appreciated securities, you will pay capital gains tax on only part of the appreciation. If you name yourself as one of the annuitants, the capital gains tax will be spread out over many years.

Gift annuity payments may begin immediately or be deferred. If you are close to retirement age, already in retirement, or wish to support a parent or other person, you may wish to have annuity payments begin immediately.

Example: Immediate Payment Gift Annuity

If at age 72, you transferred \$25,000 cash to Yale in exchange for a 6.0 % immediate payment charitable gift annuity, you would receive fixed payments totaling \$1,500 per year for your lifetime. You would also qualify for a charitable income tax deduction of \$12,094.*

Consider Ellen Frasca Evans's decision to establish an **immediate payment charitable gift annuity** to benefit her mother. "From a fiduciary standpoint, I am confident in Yale's investment management team. And in terms of my mom, I know my decision to fund a charitable gift annuity will provide stable and reliable income



Eileen Frasca

to her for the rest of her life. With the added cushion she receives from her gift annuity payments, I know she feels more financially secure."

Alternatively, a **deferred payment gift annuity** may be attractive if you are 50 to 70 years old, have ample current income, could benefit from a tax deduction, and want to arrange supplemental retirement income for yourself or for a loved one. Deferral of payments permits you to receive a higher annuity rate. You can target the annuity payments to



Giving from Your IRA to Yale Tax Free

You may be able to take advantage of important legislation which offers a temporary incentive to direct funds from your individual retirement account to Yale—tax free.

This opportunity allows individuals, age 70½ or older, to transfer up to \$100,000 during this calendar year directly from an IRA to qualified charities such as Yale. The distribution is not included in adjusted gross income, but can satisfy minimum distribution requirements. Though Congress may consider an extension of this provision, it is currently set to expire on December 31, 2007.



“The legislation provides an excellent opportunity for someone in my age bracket to help worthy causes while simultaneously avoiding the tax on withdrawals from my IRA. As a result, I wound up donating to Yale and other qualified charitable organizations almost all of the amount remaining in my IRA.”

—J. Michael Kohler, Jr. '57

Example: Deferred Payment Gift Annuity

If at age 65, you transferred \$25,000 cash to Yale in exchange for an 8.0% charitable gift annuity and deferred receipt of payments for five years, you would, at age 70, receive a fixed payment totaling \$2,000 each year for your lifetime. You would also be entitled to a charitable contribution deduction of \$11,872 in the year you make your gift.*

begin when you need them. The longer you defer receiving payments, the higher the rate you will receive.

When Dr. Robert Callahan '67, '71 M.D. was approaching his 40th reunion, he was also looking toward his retirement. At that time, he funded a gift annuity with payments to him and his wife deferred for ten years. He says, “Payments will start when we are in our early seventies, just in time for us to begin to enjoy our



Robert Callahan '67, '71 M.D.

retirement. I appreciate the significant tax deduction, this year, however. A deferred gift annuity allows us to create opportunities for Yale College and Yale Medical School students and helps me and my family.”

When you establish a charitable gift annuity, you may direct your gift as you choose—to support a particular school, program, or area, or for the University’s general purposes. Charitable gift annuities receive credit at full fair market value in Yale Tomorrow, the University’s five-year, \$3 billion campaign, as well as

reunion-class gift credit. And ultimately, the remainder from your original gift, presumably enriched by years of endowment investment growth, would have a significant and positive impact on the University.

Honoring Yale Legacy Partners



Over 100 members of Yale Legacy Partners gathered at Branford College Dining Hall on April 20th for the second annual celebration honoring and thanking alumni, family, and friends who have included Yale in their estate plans or have made planned gifts to the University.

You are eligible for membership in Yale Legacy Partners if you have named Yale as a beneficiary of your will or trust, life income gift, IRA or other retirement plan, life insurance policy, or other planned gift.

To learn more about becoming a Yale Legacy Partner, please contact us.

*All rates and deductions are based in part on a market rate of interest that is issued monthly.




The Planned Giving home page

Your loyal support for Yale is very important to us, and our goal is to make it rewarding for you as well. We have expanded and enhanced the planned giving section of the Yale Tomorrow Web site to make it a more valuable resource for you. We hope the information and tools found on the site can help you plan your gift to Yale so that it can return benefits to you.

When you visit www.yale.planyourlegacy.org you can:

- Learn how to make a gift and receive lifetime income in return
- Compare the benefits of various life income gift plans
- Explore Yale's Charitable Trust Program
- Find answers to frequently asked questions
- Obtain language to include a bequest to Yale in your will or trust
- Request an illustration tailored to your specific circumstances that you can share with your professional advisors
- Read about our donors, their stories, and their gifts

We invite you to contact one of us to review the creative ways you may be able to receive income and tax benefits while supporting a Yale school or program of your choice.

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