Charitable Gift Annuity

A charitable gift annuity is a simple way for donors to make a gift with some attractive benefits. A donor makes a gift of cash or publicly traded securities, and in exchange the University of Minnesota Foundation agrees to pay the donor, or others the donor has designated, a fixed amount annually for life, with the payments guaranteed by the foundation. At the termination of the gift annuity, the remaining assets support the campus, college, or program the donor has designated.

Creating a charitable gift annuity
- The minimum gift is $10,000, and the minimum age when payments may begin is 55.
- Gift annuities may be funded with cash or securities.
- Donors may receive an immediate income tax deduction for a portion of the gift.
- Once the gift annuity is established, it pays a fixed sum annually to one or two people for life based on the amount of the gift and their ages at the time the annuity begins. Payments can be made monthly, quarterly, semi-annually, or annually.
- A charitable gift annuity agreement is irrevocable.

Benefits of a gift annuity
- The donor and/or designee(s) will receive an income supplement for life at attractive payout rates.
- A portion of the charitable gift may be tax deductible.
- A portion of the annual payments will be tax free.
- Individuals who donate long-term appreciated securities may experience capital gains tax savings.
- Gifts can be designated to a specific campus, college, or program, or where the need is greatest at the University.

Deferred charitable gift annuity
If a donor does not need additional income immediately or would like to set up an annuity for a younger person, the donor may consider a deferred payment gift annuity. Because payments do not begin until a minimum deferral period of at least one year, a deferred gift annuity offers higher payment rates and typically a greater tax deduction than an immediate payment charitable gift annuity.

Annuity rates
The University of Minnesota Foundation follows the rates recommended by the American Council on Gift Annuities (ACGA).

Gift Annuity Rates*

<table>
<thead>
<tr>
<th>Age</th>
<th>Rate</th>
<th>Ages</th>
<th>Rates</th>
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</thead>
<tbody>
<tr>
<td>65</td>
<td>4.7%</td>
<td>65 &amp; 67</td>
<td>4.3%</td>
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<tr>
<td>70</td>
<td>5.1%</td>
<td>70 &amp; 72</td>
<td>4.7%</td>
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<tr>
<td>75</td>
<td>5.8%</td>
<td>75 &amp; 77</td>
<td>5.1%</td>
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<tr>
<td>80</td>
<td>6.8%</td>
<td>80 &amp; 82</td>
<td>5.9%</td>
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<tr>
<td>85</td>
<td>7.8%</td>
<td>85 &amp; 87</td>
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<tr>
<td>90</td>
<td>9.0%</td>
<td>90 &amp; 92</td>
<td>8.5%</td>
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</table>

* ACGA suggested maximum rates effective as of April 2016.

For assistance with this process, or for help making other gifts to the University, please contact:

University of Minnesota Foundation
200 Oak Street SE, Suite 500
Minneapolis, MN 55455-2010
612-624-3333 or 800-775-2187
plgiving@umn.edu

This information is provided as an educational service to our donors. It is not legal or tax advice. Please consult your own professional advisors on how any charitable gift may affect your own tax situation. The University of Minnesota Foundation, a 501(c)(3) nonprofit organization, has been charged by the University of Minnesota’s Board of Regents to receive and administrate gifts on behalf of all University campuses, colleges, and programs.