

RETIREMENT ACCOUNT ASSETS

Gift Planning at the University of Virginia

Maximizing a Tax-free Gift of Retirement Account Assets

For many individuals, a retirement plan is an important building block for future financial security. Many people enjoy significant growth in their accounts over time, comfortably benefiting from years of the assets'

tax-deferred growth. Retirement plan assets can include your individual retirement account (IRA), pension plan, profit sharing plan, employee stock ownership plan (ESOP), 401(k) or 403(b).

If your retirement account is not depleted during your lifetime, any assets remaining will be subject to income tax in the hands of your beneficiary, regardless of who that person is and regardless of the size of your estate. If that person is not your spouse, your estate may also have to pay estate tax on those assets. In some cases, the combination of the two can mean that your heirs could receive as little as 50% of the entire value of your account.

When you name the University of Virginia as a full or partial beneficiary of your retirement plan account, all taxes will be avoided and 100% of your gift will provide support for the University. This means that you not only maximize the impact of each dollar in your plan, you also maximize your impact on the University school or program you wish to benefit.

Make a "Bequest" of Retirement Account Assets

Making a "bequest" (a gift at the end of your life) of your retirement plan assets is easy. You simply request a new beneficiary designation form from your plan administrator and add the University or one of its schools or programs as a full or partial beneficiary. To complete the form, you will need the name and tax identification number of your beneficiary. For example, if you want to designate your account for the use

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Can you identify this building? Each month, we will randomly select a name from those who submit the correct answer. The winner will receive a small keepsake. Send to giftplanning@virginia.edu.

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Gift of Retirement Account Assets continued

of the University, you should designate the “Rector and Visitors of the University of Virginia” (tax i.d. # 54-6001796) as your beneficiary. If you wish to support a particular University school or program, designation and tax identification information can be found at www.giving.virginia.edu/federal-tax-id-numbers. Please note that if you are married, your spouse may have to consent to your designation.

You may decide to allocate a specific portion or all of your remaining plan assets for the unrestricted purposes of the University of Virginia. Unrestricted gifts provide vital funds that allow the University to address its most pressing needs as they arise.

Or, you may want your gift to support the University in perpetuity. You may do so by establishing an endowed scholarship, graduate fellowship, or professorship that will broaden

the educational and professional opportunities for generations of young people. In this case, you would include the name of your endowed fund on the beneficiary designation form.

If you have a specific purpose in mind, we encourage you to consult with the University’s Office of Gift Planning before completing your designation.

Whatever your passion or philanthropic focus, you can find a way to express it through a gift to the University of Virginia. Communicating your intentions helps the University fully understand your philanthropic goals and ensures that there is a plan in place for implementing and achieving your vision.

What About a Current Gift of My Retirement Account Assets?

Current law requires that you pay income tax on any plan withdrawals during your lifetime even if you immediately donate the assets to a charity. However, if you are already required to take minimum required distributions from your account, and you don’t need that “mandatory”

income for your own support, you can use those distributions to make an outright gift to the University, to establish a charitable gift annuity, or even to create a charitable trust. You will be eligible to claim a charitable income tax deduction based on the value of your contribution.

The Cornerstone Society— Letting Us Say Thank You

On October 6, 1817, President James Monroe and former Presidents Thomas Jefferson and James Madison gathered at a ceremony to lay the cornerstone of Pavilion VII, the first structure at the University of Virginia.

Just as this cornerstone provided the foundation for the University’s first building, the Cornerstone Society is laying the groundwork for UVA’s achievements in its third century.

The Cornerstone Society is the community of alumni, parents, and friends who have made planned gifts to the University through wills, living trusts, or retirement plan assets; gifts of life insurance; charitable gift annuities; and charitable remainder trusts or lead trusts.

How to Contact Us

call 434-924-7306 or 800-688-9882 (toll free)

email giftplanning@virginia.edu

web virginia.edu/giftplanning

The Office of Gift Planning mailing address is
PO Box 400807, Charlottesville VA 22904-4807.



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.