A Gift that Gives Back

Among the nation’s oldest and most popular planned gifts, charitable gift annuities offer a wonderful opportunity to provide for a generous future gift to Amherst. In an economy with low interest rates, this option may be an excellent way to balance your portfolio and receive a fixed income.

A charitable gift annuity is a contract between you and Amherst College that provides advantages for both. You can make a gift and receive immediate financial benefits. By funding a charitable gift annuity you will provide valuable support to Amherst College and receive a charitable income tax deduction and fixed payments for your lifetime or the lifetime of a loved one.

Charitable gift annuities may be funded with cash or securities. The payout rate on a charitable gift annuity is a fixed rate based on the age of the donor at the time the gift is made. Payments may be made to one or two income beneficiaries.
Summary of Financial Benefits:

- Guaranteed fixed payments for life
- A portion of your payments may be nontaxable
- Charitable income tax deduction for a portion of the gift
- Reduced capital gains taxes

Sample Annuity Rates*

<table>
<thead>
<tr>
<th>Gift Amount</th>
<th>Age</th>
<th>Payment Rate</th>
<th>Annuity</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>60</td>
<td>4.4%</td>
<td>$440</td>
</tr>
<tr>
<td>$10,000</td>
<td>65</td>
<td>4.7%</td>
<td>$470</td>
</tr>
<tr>
<td>$10,000</td>
<td>70</td>
<td>5.1%</td>
<td>$510</td>
</tr>
<tr>
<td>$10,000</td>
<td>75</td>
<td>5.8%</td>
<td>$580</td>
</tr>
</tbody>
</table>

* Based on rates recommended by the American Council on Gift Annuities (subject to change).

EXAMPLE:

Beth, age 76, contributes $10,000 cash and receives a lifetime annuity of $600, of which $472 is tax-free for approximately the first twelve years. She receives an income tax deduction of $4,427 results in tax savings when she claims it.
Benefits Include:

- Guaranteed fixed payments for life. The annuitants you name will receive fixed annual payments for life, backed by the full assets of Amherst College. With attractive annuity rates, your cash flow may increase from what you currently receive from your asset.

- Federal and state income tax deduction. You will receive an income tax deduction in the year of your gift to be used for immediate tax savings. This is usually 20%-40% of your gift amount.

- Favorable capital gains tax treatment. If you fund the annuity with a long term appreciated securities (ones you have held for more than one year), you will incur tax on only part of the gain. If you name yourself as an annuitant, this tax will be spread out over many years. In other words, some of the capital gain is forgiven completely and the other portion is spread out over your life expectancy.

- Reduced estate costs. Your estate may enjoy reduced probate costs and estate taxes.

- You will have the satisfaction of knowing you are providing generous support to future generations of students.

NEXT STEPS:

To receive further information and assistance on charitable gift annuities, or to learn more about how your gift can help Amherst College, please contact Julie R. Lackner, JD.

- call (413) 542-5193
- email jlackner@amherst.edu

* Because everyone’s situation is different, we encourage you to seek professional legal, estate planning, and financial advice before deciding on a course of action. This information does not constitute legal or financial advice and should not be relied upon as a substitute for professional advice.

Please note: All life income gifts to Amherst must have a 25% remainder gift to the College per our gift acceptance policy.