HERITAGE SOCIETY NEWSLETTER

University of Massachusetts MEDICAL SCHOOL
UMassMemorial HEALTH CARE

Now Is an Ideal Time to Consider a Gift that Gives Back

In 2013, financial news continues to receive top billing. From tax law changes to the economic forecast, there are many variables to consider when planning for the future. Nonetheless, many UMass Medicine supporters realize that charitable giving remains vitally important—especially now.

In the current financial environment, planned giving strategies that permit you to reposition assets and provide lifetime payments for you and for your loved ones have gained prominence. The unique benefits created by charitable gift annuities, for example, have made them a good option for many donors. A charitable gift annuity is a carefully structured gift that provides an opportunity to benefit yourself, your loved ones and UMass Medicine.

This issue explores how the charitable gift annuity can meet a wide variety of goals. The charitable gift annuity is easy to set up, and the rewards clearly justify the effort. Take a moment to review the examples outlined on the following pages and consider whether the charitable gift annuity may fit with your personal and philanthropic goals. If we can assist you in any way, return the attached card or contact us by phone or e-mail. You can also request our complimentary brochure, ***Planning with Gift Annuities***. It would be our pleasure to help you examine the charitable gift annuity and other philanthropic options.

Marcus Bachman (center), a second-year medical student, is the 2012 recipient of the Neil Grover Memorial Scholarship, which was established by Neena and Subhash Grover (also pictured) in memory of their son.

Dear Friends:

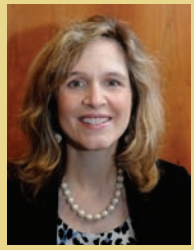
Recently, UMass Medicine and other charities throughout the country have witnessed increasing interest in charitable gift annuities. The current economic environment coupled with people living longer has donors looking for ways to support charities close to their hearts while securing a guaranteed income stream. A gift annuity is a wonderful way to support UMass Medicine while ensuring a fixed income for your lifetime.

If a gift annuity seems right for you, I invite you to contact us to learn more. We would be pleased to create a personalized illustration detailing how a charitable gift annuity may provide you with income and tax benefits and enable you to make a meaningful gift to UMass Medicine.

As always, we look forward to hearing from you. With warm wishes and thanks for your continued generosity to UMass Medicine.

Carolyn J. Flynn, Esq.
Director of Gift Planning

877-775-1992
ogp@umassmed.edu



A Gift That Gives Back

The charitable gift annuity provides lifetime payments to the annuitant as well as a gift to UMass Medicine. The primary purpose of a charitable gift annuity is to support UMass Medicine. But, the lifetime payments make this method of giving attractive to philanthropists with a variety of goals. The following examples show how a gift annuity can help UMass Medicine, while you also help yourself.

Create a Legacy and Receive Lifetime Payments

Throughout her life, Rose (age 80) has been a wise planner and saver. She now finds herself in a position to support UMass Medicine through a memorial gift to honor her husband.

Rose decides to take the money once invested in a CD ($50,000) to set up a charitable gift annuity. Under this charitable gift annuity, UMass Medicine agrees to pay Rose $3,400 (a 6.8% payout rate) every year for as long as she lives. Plus, for the next 9 years, about $2,800 of each payment will be tax-free. And this year, if she itemizes, Rose will receive a charitable income tax deduction of $23,655.

Rose considers the charitable gift annuity a great thing—both a reliable source of yearly income and a charitable gift to UMass Medicine.

Lifetime Payments for Two

Gene and Louise (both age 75) have always been careful planners. After celebrating their 50th wedding anniversary, they took a close look at their estate plan to see how they might best manage their resources during their golden years.

One option that came to light was the charitable gift annuity. It was a great gift idea for Gene and Louise because they were able to make a significant gift to UMass Medicine and receive fixed annual payments for both of their lifetimes. They established a two-life charitable gift annuity by transferring stock totaling $100,000 to UMass Medicine. Gene and Louise receive

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Charitable IRA Rollover Legislative Update

The American Taxpayer Relief Act of 2012 has reinstated the Charitable IRA Rollover and extends it through December 31, 2013. Originally enacted in 2006, the Charitable IRA Rollover allows individuals age 70½ and older to make direct transfers, up to $100,000 per year, from individual retirement accounts to qualified charities without having to count the transfers as income for federal tax purposes. Since no tax is incurred on the withdrawal, gifts do not qualify for a charitable deduction, but may be counted toward an individual's minimum required distribution.

Recap of other provisions of the Charitable IRA Rollover:

Distributions must be made directly to a qualified charity by the plan administrator of an IRA. Retirement assets in 401(k), 403(b), SEP, or SIMPLE plans do not qualify, but may be rolled into a new or existing IRA and transferred to the charity.

Distributions may only be made to qualified charities and cannot be made to donor advised funds, private foundations or supporting organizations.

Distributions may not be used to fund life-income gifts such as charitable gift annuities, charitable remainder trusts or pooled income funds.

annual payments of $5,000 (5.0%) for their lifetimes. Plus, they receive a charitable income tax deduction of nearly $33,835 this year.

The charitable gift annuity is simple to set up and Gene and Louise both enjoy peace of mind knowing the fixed payments will continue for their lifetimes.

Predictable Income for Later

James (age 60) knows that he will reach the annual contribution limit for his qualified retirement plan this year, so he is looking for additional ways to help prepare for retirement.

One option that interests James is a deferred charitable gift annuity. It works just like a regular charitable gift annuity except that the first payment to the annuitant begins a year or more after the gift is made to UMass Medicine.

Deferring payments for a year or more results in a higher annuity payout rate and a higher income tax deduction for the donor. James decides to make a gift of $50,000 and arranges the payments to begin in exactly ten years. This year, he will be able to deduct nearly $17,275. In ten years, James will begin receiving $3,500 (7.0%) every year for the rest of his life.

The Charitable Gift Annuity: Greater than the Sum of Its Parts

- You can create more than one charitable gift annuity.
- Payments are fixed.
- Charitable gift annuities are easy to set up.
- Gift annuity payments continue for life—you can't outlive the payment period.

If you would like more information about establishing a charitable gift annuity with UMass Medicine please contact us at ogp@umassmed.edu or call 877-775-1992 or please fill out the attached reply card. We look forward to hearing from you!

Charitable Gift Annuity Rates *

Single Life

Age	65	70	75	80	85	90+
Rate	4.7%	5.1%	5.8%	6.8%	7.8%	9.0%

Two Lives

Ages	65/65	70/70	75/75	80/80	85/85	90/90
Rate	4.2%	4.6%	5.0%	5.7%	6.7%	8.2%

**UMass gift annuity rates are subject to change.*

Upcoming Events:

Wednesday, August 7
First Year Parent Orientation

Monday, August 12
Tee Up for Tots

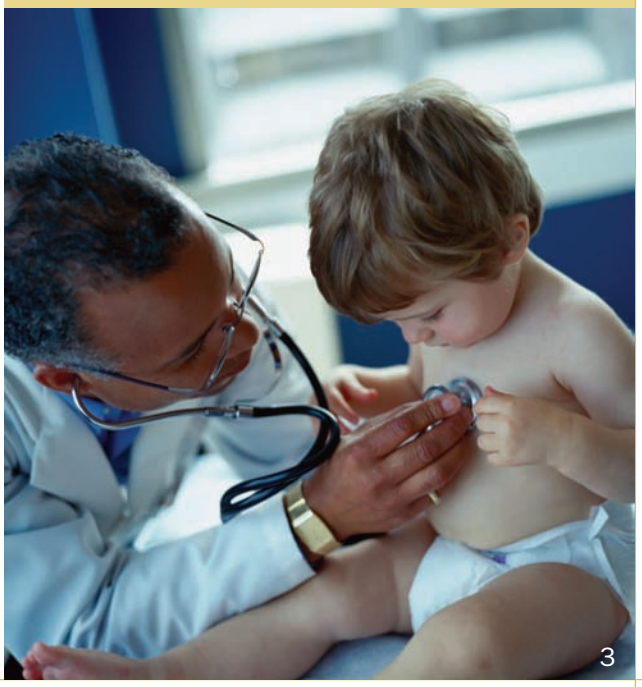
Thursday, September 19
Convocation and Investiture

Friday, September 20
White Coat Ceremony

Tuesday, September 24
Alumni Scholarship Dinner

Sunday, September 29
UMass Medicine Cancer Walk

Friday, December 6
Winter Ball



University of Massachusetts MEDICAL SCHOOL
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Office of Gift Planning
333 South Street
Shrewsbury, MA 01545

In this issue...

A Gift That Gives Back

Left: Allan Jacobson, PhD (right) is greeted by Chancellor Collins at Investiture. Right: Chancellor Collins (left) and Robert H. Brown, Jr., DPhil, MD (right) are joined by members of the LaChance family.

Jacobson, Brown Invested as Named Professors

Two UMass Medical School professors have been awarded named professorships, designations that honor distinguished faculty members while reflecting the dedication of donors to advance scientific inquiry and improve health. Robert H. Brown Jr., DPhil, MD, chair and professor of neurology, is now the Leo P. and Theresa M. LaChance Chair in Medical Research, and Allan S. Jacobson, PhD, chair and professor of microbiology & physiological systems, holds the Gerald L. Haidak and Zelda S. Haidak Distinguished Professorship in Cell Biology.

Drs. Brown and Jacobson were officially invested at the 2012 Investiture ceremony on Thursday, September 13, 2012. UMass Medical School currently has 32 named professorships that increase the institution's ability to attract and retain individuals distinguished in their fields. Named professorships also provide an opportunity for donors to contribute to the enrichment and vitality of the academic and scientific environment.

Become a Member of the Heritage Society

The Heritage Society was established to recognize donors to UMass Medical School and UMass Memorial Health Care through bequests, retirement plans, life-income gifts, life insurance policies and other estate intentions.

If you have provided for UMass Medical School/UMass Memorial Health Care in your estate plan, please let us know! We would like the opportunity to thank you and recognize you as member of the Heritage Society. For more information, please fill out the enclosed reply card or contact: Carolyn J. Flynn, Esq., Director of Gift Planning at 877-775-1992 or email at ogp@umassmed.edu.

The Charitable Gift Annuity– A Gift That Gives Back

We are pleased to hear from alumni and friends of UMass Medicine.

❑ I am interested in learning more about receiving lifetime payments from a charitable gift annuity. Please send me your brochure, ***Planning with Gift Annuities— How To Do More for Yourself and Charity***.

❑ Please send me a personalized gift annuity illustration.

- ❑ One Life: birth date _____
- ❑ Two Lives: birth dates _____ and _____

Gift amount $_____(min. $10,000)

❑ I am interested in discussing other ways to support UMass Medicine. Please contact me ❑ by phone ❑ by email to talk about these possibilities.

❑ I/We have already included UMass Medical School/UMass Memorial Health Care in our estate plans.

NAME _____

ADDRESS _____

CITY _____

STATE, ZIP _____

TELEPHONE _____

EMAIL _____

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School of Medicine students line up for the White Coat Ceremony held on September 14, 2012.