Plan Today for a Secure Future

- For friends of Vanderbilt, a gift annuity provides a solution to low interest rates and volatile investments: Fixed payments that will never shrink—regardless of the ups and downs of the financial markets.
- Gift annuities are a tax-saving gift plan shared by both you and Vanderbilt.

Over the past decade we have all experienced tremendous fluctuations—as well as negative events—in financial markets. Rates on bank accounts, CDs and money market funds have dropped to record low levels—in some cases less than 1 percent. Although stocks have bounced back from the severe losses of the 2009 recession, many investors are still wary of risks.

Tough economic times have not prevented Vanderbilt from carrying out its mission: Educating students, looking for scientific and medical breakthroughs and caring for patients. If you are reading this newsletter, you probably have a connection to Vanderbilt through one or more of these amazing activities.

A charitable gift annuity can be a helpful extension of that relationship between you and Vanderbilt. It’s something you do for the University while it in turn does something for you! You make a meaningful gift and receive annual payments from Vanderbilt for as long as you live. A gift annuity is not an investment; it’s a special way to make a gift that might not otherwise be feasible. You receive annual payments and Vanderbilt uses what remains to fund its exceptional work at the end of your lifetime.

A spouse, friend or other loved one can receive income along with you if you wish. Or, you may decide to delay payments until a future time when you need them.

TAX-SAVING GIFT PLAN

At a time when some are predicting higher income tax rates in the future, gift annuities also feature benefits that can help reduce income, gift and estate taxes. Read on for more information about this way to support Vanderbilt while helping to preserve future economic security for you and your loved ones.
Don and Roberta Miller may call Richmond, Va. home, but their hearts remain in Nashville at Vanderbilt’s Peabody College. “Vanderbilt was a force for friendship and support,” recalled Roberta.

“In my favorite graduation photo, Don and I are standing in our caps and gowns, waiting to be hooded. Standing right beside me is Dr. Ralph Kirkman, a beloved professor. That photo encapsulates my time at Vanderbilt—with someone who cared about me, standing by my side to guide me.”

LONG-TIME ASSOCIATION

The Millers’ time at Vanderbilt spans three decades. Roberta received her master’s in library sciences in 1964. Together, as entrepreneurs and business partners, they returned in the mid-’80s so Don, who had an M.B.A. from Virginia Tech, could get his master’s in education (’89). They continued their studies and both received doctoral degrees from Peabody in 1992. The Millers also ran a successful business, Resources, Inc., during this time.

Combining Roberta’s education and experience in medical library sciences and Don’s business acumen and computer skills, Resources, Inc. has flourished and now has 12 employees and clients all over the country. “We provide literature searches for physicians and medical staff. Basically, the hospitals are outsourcing their medical libraries to us. We’ve had great contacts over the years and have never marketed,” said Roberta.

A COMMITMENT TO EDUCATION

As the Millers have enjoyed financial success over the years, they have become even more committed to providing educational opportunities to future students. They learned about Vanderbilt charitable gift annuities while working with the Chancellor’s office on a special project about ways to fund higher education.

This later became the Millers’ gift vehicle of choice. “The gift annuity fits our financial goals at our stage of life. The ups and downs of the financial markets make for an unstable balance sheet. This is a more conservative approach; a way to receive a fixed income and immediate tax savings AND make a gift to benefit Peabody. We believe education provides young people with opportunities they wouldn’t otherwise have had,” said Don.

SETTING THE BAR HIGHER

Through a series of gift annuities, the Millers have reached their giving goal and, in true entrepreneurial spirit, have set the bar higher by giving more. “We want to encourage other entrepreneurs—both now and in the future—to make these types of gifts. As the saying goes, if you teach a man to fish, you feed him for a lifetime,” said Roberta.

“We hope others will follow our lead, with our generation helping the younger generation and so on. The gift annuity wraps everything into one great package for us.”

At their 1992 graduation ceremony, Don talks with Dr. Kirkman while Roberta speaks with Dr. James Whitlock and Dean Cunningham.
Gift annuities are a way to make a gift to Vanderbilt and fulfill other important financial goals as well. Some of our alumni and friends have chosen to create a series of gift annuities over time. Each additional gift annuity will generally result in a higher payment rate, more income and greater tax savings. Here are some ways that a charitable gift annuity can benefit you:

1. **Attractive Rates.** Vanderbilt follows the payment rate schedule set since 1927 by the independent American Council on Gift Annuities. These rates are much higher than the interest rates currently offered on savings accounts, CDs and money market funds.

2. **Tax-free Payments.** Part of each gift annuity payment is free of tax for a period of time. The tax-free portion represents a partial return of your original contribution, ratably over a number of years.

3. **Income Tax Deduction.** If you itemize, you may claim a generous charitable income tax deduction in the year you establish your gift annuity. This deduction can be used to reduce income taxes for the year of your gift and up to five future tax years if necessary.

4. **Regular Fixed Payments.** You can count on receiving regular fixed payments, regardless of what occurs in financial markets. Payments are guaranteed by all of the University’s available assets.

5. **Take Care of Loved Ones.** It is possible to establish gift annuities for the benefit of a spouse, brother, sister, parent or others for whom you wish to provide an additional source of income for the remainder of their lives.

6. **Support Vanderbilt.** You may direct your gift portion to scholarships and financial aid, a particular college or area of research that is important to you. See Page 4 for examples of how these and other gifts continue to make an impact at Vanderbilt.

**MORE INFORMATION**

In addition to the payments received and income tax savings, Vanderbilt gift annuities offer a number of ways to reduce or eliminate gift, estate and capital gains taxes as well. For more information about Vanderbilt gift annuities or to receive a personalized illustration, return the enclosed card or contact us.

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**Vanderbilt Charitable Gift Annuities…Case Studies**

**TO RECEIVE PAYMENTS NOW**

Mr. and Mrs. Peabody, both age 75, fund a Vanderbilt charitable gift annuity with $50,000 cash from an inheritance Mrs. Peabody received. At their ages, a gift annuity will provide payments each year of 5 percent of that amount, or $2,500. Over three-fourths of that payment ($2,050) will be considered tax-free for 16 years. Because a portion of the amount they transfer will ultimately be used for charitable purposes, the Peabodys are entitled to an income tax deduction of almost $16,400. Depending upon their circumstances, the charitable deduction could provide several years of savings.

**TO RECEIVE PAYMENTS LATER**

Dr. John Commodore, age 55, is planning to retire in 15 years from his medical practice. He would like to make a gift now to Vanderbilt in honor of his class reunion. He decides to fund a deferred payment gift annuity with $50,000 cash because he doesn’t need the income now but will benefit from it later when he retires. He chooses for his payments to begin at age 70. At that time, he will receive a payment of 8.2 percent, or $4,100, each year for the remainder of his life. Once payments begin, over half of each payment ($2,300) will be tax-free for 15½ years. He will also enjoy an income tax deduction of $14,000, which he can use immediately.
Welcome New Sarratt Society Members

According to Dean Madison Sarratt, “what you do for Vanderbilt will live on and on.” Because of his enduring support and commitment to Vanderbilt, the Sarratt Society was established to recognize others who have provided for the University through a planned gift. 22 Vanderbilt alumni, 4 parents and 9 friends have made that type of commitment, and we are honored to welcome them to the Sarratt Society this year. For more information about joining the Sarratt Society, please contact a member of our planned giving team.

WHAT PLANNED GIFTS ACCOMPLISH AT VANDERBILT

Charitable gift annuities and other planned gifts have a real impact on the students and faculty at Vanderbilt. Here are just a few of the areas that have benefitted from these thoughtful gifts.

The Francis L. Ball Chemistry Scholarship was established in 2001 through a bequest from Francis L. Ball (M.A. 1948).

The Robert G. Benson Memorial Golf Scholarship was established in 1995 with a bequest from Robert G. Benson, class of 1909.

The Valare Potter Scholarship in the School of Nursing was funded through gifts from a trust that Valare Blair Potter (B.A. 1919) established.

James T. Allen established the James T. and Olivia R. Allen Scholarship in the School of Medicine fund through a charitable gift annuity and pooled income fund.

Dorothy B. Austin had a unitrust, an annuity trust, a gift annuity and a pooled income fund. They all established the Dorothy B. and Theodore R. Austin Chair of Pathology in the School of Medicine.