VANDERBILT TRUST OFFERS FINANCIAL BENEFITS

Over the last 50 years, Vanderbilt has built one of the country’s strongest trust programs. With a Vanderbilt charitable remainder trust, you receive annual income—at least 5% of the principal. Learn why hundreds of donors have trusts at Vanderbilt.

People associated with Vanderbilt University appreciate excellence. Our students receive the highest quality education, our faculty is exceptionally talented and our patients obtain the most advanced medical care available. So when a Vanderbilt donor thinks about a gift that will do something extraordinary for the world, it’s no surprise that he or she looks for the smartest and most effective plan.

An interesting option for making a gift to Vanderbilt is the charitable remainder trust (CRT)—an agreement under which a donor places money or property with a trustee of a trust. The donor and/or other named beneficiaries receive annual income, usually for life. After the donor’s lifetime, the trust principal (the remainder) is distributed to Vanderbilt. (See the illustration on page 2.)

Who are CRTs for?

Trusts are ideal for charitable people who are also interested in extra income. Extra income can be beneficial during retirement or to help with a grandchild’s educational expenses.

Savers nowadays are unhappily familiar with bank and CD rates that have been below 1%! Bond yields aren’t much better. Many stocks pay respectable dividends, generally in the 2–3% range, but they may come with greater risk. With a CRT, beneficiaries are guaranteed payments of at least 5% each year, regardless of actual earnings.

An option at Vanderbilt, not found at many charities, is to invest your trust alongside Vanderbilt’s endowment. As demonstrated by its history of strong returns, investing with Vanderbilt’s endowment offers access to the strategy and oversight of the university’s investment team.

Convert part of your appreciated stock portfolio into a 5% annual income.

Those who own stock worth more today than when it was originally purchased may be especially good candidates for a CRT. Instead of selling the stock and paying federal and, perhaps, capital gains taxes, which can amount to 23.8% or more, an individual can transfer the stock to a CRT. No capital gains are realized upon transfer while the donor’s deduction is based on the full fair market value of the shares. An added benefit: the trust will pay 5% while the stock may have earned only 2.5% or 3%.

continued on page 2

Inside:

• Sarratt Society Members Joe, BA’50, and Anne, BS’48, Maddux
• What Planned Giving Accomplishes—Endowed Chairs
TRUST OFFERS FINANCIAL BENEFITS

Is setting up a trust complicated?

Vanderbilt’s Planned Giving Team makes your giving easy, and we can do much of the work for you and your advisors. We provide you with a proposed trust agreement and the illustrations showing your deductions and payouts. We can assist in transferring assets such as stock and mutual funds. Each year at tax time, we send you the forms your tax preparer will need. Vanderbilt’s Planned Giving Team is dedicated to providing you with an exceptional experience. Call (615)343-3113 today to learn more about this and other charitable options.

A CASE STUDY: THE COMMODORES

- John and Mary Commodore transfer $250,000 into a Vanderbilt CRT.
- Vanderbilt, as trustee, invests the money for income and long-term growth.
- Each year Vanderbilt pays the Commodores an amount equal to 5% of the assets in the trust ($12,500 the first year, with the possibility of higher amounts as the trust grows).
- The Commodores are entitled to a $110,533 charitable income tax deduction that year.
- Years later, after John and Mary’s lifetimes, the trust’s balance (remainder) has grown to $357,000 and becomes a gift to Vanderbilt to support the Commodores’ favorite Vanderbilt program.

THEN & NOW

If you would like to designate your gift to scholarships for students, a specific area of study at the university, or to an area of care or research at the medical center, your Planned Giving Team is available to provide more information.

We will be happy to assist you or your advisors in any way with the charitable aspect of your plans.
AN INVESTMENT IN VANDERBILT’S FUTURE

For Sarratt Society members Joseph O. “Joe” Maddux, BA ’50, and his wife, Anne Cunningham Maddux, BS ’48, the Vanderbilt Charitable Remainder Trust (CRT) was the perfect gift to meet their short-term and long-term goals.

“Vanderbilt provided us with a good education and lasting friendships. The university is a big part of the Nashville community with its athletics, arts offerings and the medical center. We wanted to make an investment in Vanderbilt’s future,” said Joe.

In 2007, Joe and Anne established a Vanderbilt CRT, funding it with appreciated property they had acquired over the years through their own investing and an inheritance. “When making our estate plans, we took care of our family first and foremost. Anything above and beyond, we wanted to go to Vanderbilt, instead of a large part going to Uncle Sam.”

In addition to the tax advantages of the CRT, Joe and Anne have enjoyed the income from the trust during his retirement. “I officially retired three years ago, but I still come to the office almost every day, mainly to watch my investments,” he said. Joe owns Maddux and Company, a manufacturer’s agent selling building materials. He bought Crawford Door Sales Co. in 1970. The company sells, services and installs commercial and residential garage doors, operable walls and loading dock equipment, and has 28 employees.

Joe and Anne raised 5 children, and they have 13 grandchildren and 28 great grandchildren. In addition to alumni and fraternity events (Joe is a Kappa Sigma alumnus), another way they have stayed connected to Vanderbilt is through athletics. Having had football and basketball tickets for over two decades, they have enjoyed watching members of the extended family play for the Commodores. “We’ve had some talented athletes in the family,” said Joe. Baseball is also an area of support. “I think highly of Coach Corbin. I listen to their games and follow their success.”

Their Vanderbilt CRT will establish the Joe and Anne Maddux Athletic Scholarship, which will benefit student athletes. As a United States Army Air Corps veteran, Joe was the recipient of some financial assistance in the form of the GI Bill. “My parents couldn’t have afforded to send me to Vanderbilt,” he remembered. “This gift is a good way to pay back the opportunity that was given to me.”

With their gift, Joe and Anne Maddux fulfilled their philanthropic goals and made an investment in Vanderbilt’s future.

DOES THE CHARITABLE REMAINDER TRUST INTEREST YOU?

Vanderbilt’s Planned Giving Team is here to answer all your questions. We are ready to assist you in finding the plan that works best for you and your family and welcome your call or email.

Tel. (615) 343-3113
Toll-free (888) 758-1999
Email plannedgiving@vanderbilt.edu
On the web at vanderbilt.edu/plannedgiving

CONSIDERING A BEQUEST?

If you are considering a bequest to Vanderbilt, here is some suggested wording to share with your attorney:

“I give, devise and bequeath to The Vanderbilt University, a not-for-profit corporation located in Nashville, Tennessee, the sum of $___________ (or ___% of my estate; or all the rest, residue, and remainder of the estate) to be used for ______.”
Endowed professorships or chairs have a special role in the success of a university. An endowed chair or professorship links exceptional accomplishment with the name of the chair, creating a lasting and prestigious legacy for the donor and honoree.

Endowed chairs allow professors to focus on educating the next generation of scholars, exploiting their passion and expertise, and contributing in meaningful ways to their field of study, as seen by the accomplishments of Dr. Christopher Johns, the Norman L. and Roselea J. Goldberg Professor of Art History.

The Norman L. and Roselea J. Goldberg Chair in Art History induced Johns, a member of the faculty at the University of Virginia for 18 years prior, to come to Vanderbilt. Established through a bequest by the Goldbergs, the chair pays tribute to Dr. Goldberg’s interest in English art and architecture. A surgeon and 1930 graduate of the Vanderbilt University School of Medicine, Dr. Goldberg also enjoyed art history and collecting, particularly paintings from the Norwich School of English Art.

“Since being named to the Goldberg Chair in 2003, I have published the book, The Visual Culture of Catholic Enlightenment, and have two others in press. The result of Vanderbilt’s support has been a splendid book that would never have seen the light of day, at least not in this form,” shares Johns.

“The fact that Dr. Goldberg was an amateur art historian made this chair particularly attractive to me,” Johns recalls. “Of course, I was also impressed by Vanderbilt’s focus on making the university a nationally and internationally interesting place for scholarship. I wanted to be part of a place that was growing and ambitious.”

Vanderbilt invested the Goldbergs’ estate gift in an endowment for a permanent professorship. Christopher Johns’ work is only the beginning of the impact that the Goldbergs’ planned gift will have on Vanderbilt, its students and the field of art history.