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The SAVVYDONOR

PLANNED GIVING NEWSLETTER



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WINTER 2023

HOW WILL YOU INSPIRE OTHERS WITH YOUR LEGACY?

The Story of Jack C. Lewis, MD '59 and Cynthia P. Lewis, BSN '58

For more than 50 years, Dr. Lewis' medical degree has been put to good use doing what he loved to do—take care of his patients. Inspired by the education he received at the University of Maryland School of Medicine and his father, who had also been a physician, Dr. and Mrs. Lewis chose to designate his alma mater for a Charitable Gift Annuity (CGA). Their legacy gift will fund research to create new medical technologies that will advance patient care for years to come.

They have also established a CGA at the University of Maryland School of Nursing, where Mrs. Lewis graduated from. Their additional joint gift will establish the Carol Hosfeld Ph.D., R.N. annual award endowment to impact an undergrad nursing student who is compassionate and caring when he/she graduates. Their continued generous support of both schools will enable medicine and nursing students to succeed for years to come.

“MY WIFE AND I WERE PLEASED TO BECOME DONORS TO THE UNIVERSITY OF MARYLAND SCHOOL OF MEDICINE. IT REPRESENTS A WAY OF SHOWING MY APPRECIATION TO THAT INSTITUTION FOR MY MEDICAL DEGREE. AT THE SAME TIME, I WAS ABLE TO RECOGNIZE MY FATHER FOR SHOWING ME, BY EXAMPLE, THE MEANING OF BEING A PHYSICIAN.”

— Jack C. Lewis, MD '59

THE IRA CHARITABLE ROLLOVER GIFT ANNUITY PLAN: GIVE FROM YOUR IRA AND RECEIVE A LIFETIME OF PAYMENTS

Donors over 70½ can receive a lifetime of payments in return for a contribution to the University of Maryland Baltimore Foundation Inc. (UMBF) from their IRA account. This gift plan combines a charitable gift annuity and a Qualified Charitable Distribution from an IRA. Let's see how it works.

Charitable Gift Annuity – A charitable gift annuity is a simple contract between you and UMBF promising to pay you a fixed amount of money each year for life. The gift annuity contract is issued to you in exchange for your charitable contribution. The amount UMBF will agree to pay you depends upon your age at the time of your gift and does not change for the rest of your lifetime. UMBF invests and manages your contribution, and your payments are backed by the financial resources of UMBF. Some or all of the payment you receive each year is taxed as ordinary income.

Qualified Charitable Distribution – A Qualified Charitable Distribution (QCD) – sometimes called a “charitable rollover” – is a contribution from your IRA directly to UMBF. You can make a QCD if you are at least age 70½ at the time of your gift. Unlike other distributions from your retirement accounts, you pay no income tax on a QCD, although there is no charitable deduction for your contribution. However, your QCD contribution counts toward your Required Minimum Distributions (RMD) from your IRA without creating taxable income for you.

Charitable Rollover Gift Annuity – Under a new law effective in 2023, some donors can make a Qualified Charitable Distribution in exchange for a charitable gift annuity. There are some rules and limitations:

- You can exercise this option only once during your lifetime.
- There is an aggregate limit of \$50,000.
- The entire payment you receive from your charitable gift annuity will be subject to income tax.
- You can include your spouse as a recipient of the annuity payment.
- There is no income tax deduction for this contribution, although there is no tax on the Qualified Charitable Distribution either.

For example, consider Alan, a 75-year-old who would like to make a special contribution to support UMBF. Alan has substantial assets in his IRA, and he knows that he is facing a RMD this year. Even though he doesn't really need the income, Alan knows that his RMD is going to increase his income tax. Instead, Alan chooses to make a \$50,000 Qualified Charitable Distribution to UMBF in exchange for a charitable gift annuity which will pay him \$3,300 (6.6%) per year for the rest of his lifetime. Alan understands that he is allowed to make this election only one time, but he is looking forward to securing a stream of payments for his lifetime while reducing his RMD making a generous contribution to UMBF.

Please contact John McKee for more information. We would be happy to work with you and your advisors to help determine whether this new option is right for you.

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University of Maryland Baltimore
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A GIFT THAT PAYS YOU BACK NEW HIGHER RATES AS OF 1/1/2023

Gift annuity rates increased as of January 1, 2023. If you have ever considered a gift annuity or already have an annuity, we can now offer you an even more generous annuity payment. For most gift annuities, the new rates are 0.6% - 0.7% higher than the rates they replace in 2022. If you defer the start of payments for a year or more, the rate increase is even greater.

The combination of higher annuity rates and substantial deductions make gift annuities even more attractive if you are seeking to make a gift and receive fixed payments for life.

To learn more about charitable gift annuities, please visit us online at umaryland.edu/plannedgiving.

With a minimum gift of \$10,000, you may receive:

Age	Annuity Rate	Annuity Amount	Charitable Deduction
65	5.4%	\$540	\$3,865
70	5.9%	\$590	\$4,230
75	6.6%	\$660	\$4,645
80	7.6%	\$760	\$5,045

(The amount of the deduction will depend upon the timing of your gift. Rates are subject to change and are based on rates suggested by the American Council on Gift Annuities. Gift annuities are not available in all states.)



Name(s) _____

Address _____

City, State, Zip _____

Home Phone _____

Other Phone _____

Email Address _____

For confidentiality: tear, fold, tape and return.

I am pleased to inform you that:

- I have included UMBF in my estate plans.
- I am considering including UMBF in my estate plans.

Please send me information on the following:

- Charitable gift annuity
- Qualified charitable distribution
- A gift by will or trust
- Other ways to give

If you have any questions, contact
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Visit us at umaryland.edu/plannedgiving to learn more.