



UNITARIAN
UNIVERSALIST
ASSOCIATION OF
CONGREGATIONS

Yes, I'd Like to Make a Difference!

**Guide to Estate and Gift Planning
with the UUA**

*Ways to support your Congregation,
the UUA and Unitarian Universalism
now and for the future*

“At the heart of Unitarian Universalism is the faith that every person can make a meaningful difference in our communities and in the world. We have faith in generosity, a conviction that our shared gifts of love and labor can heal ourselves and others.

Spent one way, money can make us comfortable, boost our self-image, and make us feel secure. Spent another way, money becomes the tool of our faith and our commitment to the things that matter to us.”

Reverend Terry Sweetser
Vice President for Stewardship and Development

Over the years, the Unitarian Universalist Association of Congregations (UUA) has achieved fiscal and institutional strength through the support of its members, longtime friends and volunteers. Your gifts secure our financial stability and allow us to continue our work through both good times and bad. The planned giving program has provided essential strength to our organization, enabling the UUA to continue distributing the programs, resources, and services that support congregational health and vitality for future generations.

This Giving Guide outlines the planned gift vehicles available to our members. You will find descriptions of how each, from bequests to life income gifts, can work for you and the Unitarian Universalist (UU) congregations and organizations that you love.

How to Make a Gift by Will

Use Your Will to Give to Unitarian Universalism

Including a charitable bequest in your will is a simple way to make a lasting gift. Whether you are writing your first will or updating an existing one, we hope you'll include a gift for your congregation, the UUA, or other UU organizations in your plans.

Bequests are for everyone and anyone.

They are both sensible and simple gifts. A charitable bequest allows you to be a UU philanthropist and keep your financial options open.

What follows are guidelines and suggestions for naming the UUA or any UU entity to receive a gift from you through your Last Will and Testament. Here you will find basic information about different kinds of estate gifts, including sample language you may use in your legal documents. Most of this information may be used to make a gift through a family trust, a life insurance policy, or an individual retirement account.

Charitable Tax Status

The UUA is an IRS-qualified 501(c)(3) and 170(c) charitable religious organization. Copies of our tax-exempt status letters are available upon request, as is a completed IRS Form W-9 Request for Taxpayer Identification. The UUA tax-exempt federal identification number is 04-210-3733. For estate tax purposes, bequests, legacies, or transfers to the Association are deductible as they accord with the provision of the Internal Revenue Code Section 2055(a) and related regulations.

Suggested Bequest Language

Please share the following suggested bequest language with your attorney to assist in drafting a will or codicil that will achieve your charitable estate plans. If you also want to provide for your congregation, simply substitute its name and legal address for the Association's.

Specific Bequest

I give _____ [\$ amount, description of property, or % of estate]
to the Unitarian Universalist Association of Congregations, (UUA)

(tax I.D. number 04-2103733), a non-profit 501(c)(3) corporation, located at 25 Beacon Street, Boston, Massachusetts 02108, for its unrestricted use.

Residuary Bequest

I give all [or _____ %] of my remaining assets of any kind to the Unitarian Universalist Association of Congregations, (UUA) (tax I.D. number 04-2103733), a non-profit 501(c)(3) corporation, located at 25 Beacon Street, Boston, Massachusetts 02108, for its unrestricted use.

Planned Giving: Life Income Gifts

You can make a gift to the UUA that will pay you income for life, after which the remaining gift principal will be turned over to the UUA, your home congregation, or any other UU organization.

A life income gift may be appropriate if you want to make a gift but need to retain income for yourself and/or loved ones. Giving highly appreciated securities may be especially attractive. A life income gift can reduce your capital gains taxes and increase your income.

Charitable Gift Annuities

A charitable gift annuity (CGA) is an arrangement whereby you contribute cash or marketable securities in exchange for the Association's promise to pay one or two people a guaranteed income for life at a rate based on the age(s) of the annuitant(s). If you are planning for retirement or want to increase income, reduce capital gains taxes, secure a fixed income, and make a significant gift to the future of Unitarian Universalism, then this option may be right for you.

You may also delay receiving income for some period of time, thereby increasing the payments you receive. This can be a powerful tool for retirement planning, if you want to lock in a higher income for future years, when you need it most. The longer you wait to begin receiving income, the higher the rate!

Charitable Gift Annuity donors are eligible for an income tax de-

duction in the year the gift is made. They also receive favorable tax treatment on the annual income. A gift of \$5,000 or more will establish a charitable gift annuity for you and your loved ones to enjoy.

Charitable Gift Annuity funds are held in trust by State Street Global Advisors, in Boston. These are segregated trust accounts, held separately from other UUA assets. The UUA operates this fund as a free service to our congregations. The Association acts as trustee of this gift, and all others in the funds, and charges no fees to the congregation.

Charitable Gift Annuities FAQ

What is a Charitable Gift Annuity?

A CGA is a way that you can give now, enjoy income for life, see tax savings, but most importantly, experience the joy and satisfaction of giving to the future of Unitarian Universalism.

At its simplest, a CGA is a contractual agreement between the UUA and one or two donors. In exchange for a donation of \$5,000 or more, the Association promises two things:

- to pay a fixed dollar amount to one or two people for as long as they live or for a set number of years; and, at the end of the contract
- to deliver what remains of the original gift to the charitable beneficiaries chosen by the donor(s) - usually the UUA, and a UU congregation.

Is there a minimum contribution?

Yes, \$5,000 is the minimum gift. If you wish to name three charitable beneficiaries, a gift of \$10,000 or more is required.

Can my congregation benefit from my gift?

Yes, the UUA's Umbrella Giving program enables you to designate your gift annuity beneficiaries as your congregation, other UU entities, the UUA, or a combination of these up to 100%, all managed at no cost to you or the beneficiary. To help the Association to continue to provide this free service, we hope you will give at least 25% to the UUA, but you are free to give all or part of your gift to any UU entity.

Who may receive annuity payments?

One or two people may be annuitants. Usually, donors are the annuitants, but some donors give the right to receive income to someone else, a loved one who needs a secure income, for instance. This may be a useful estate planning tool for non-traditional couples and families.

Tell me more about the payments.

Calculated as a percentage of the donation, the annual payment amount is fixed when the gift is completed and it never changes. The rate of payment varies with each annuity gift contract depending on ages of the people receiving payments, the number of annuitants, the timing of the gift, and the date payments begin.

How is the rate of payment determined?

The UUA uses the annuity rate tables prepared by the American Council on Gift Annuities. This non-profit group considers relevant financial, investment, and actuarial trends in setting payment rates for gift annuities. The Council strives to set rates that will preserve at least 50% of the gift over time and produce a good income to the annuitants

One Annuitant		Two Annuitants	
<i>Age</i>	<i>Fixed Rate</i>	<i>Ages</i>	<i>Fixed Rate</i>
65	5.5%	60, 63	5.0%
70	5.8%	70, 72	5.4%
85	8.1%	81, 85	6.7%
90	9.5%	90, 93	8.7%

Rates Effective July 1, 2010

When are annuity checks sent?

Quarterly: at the end of March, June, September and December. Payments are mailed to your home address or wired directly to your bank account.

Can I donate appreciated stock?

Yes. Publicly traded stock and mutual fund shares are great assets to donate for a gift annuity. A personal check payable to the UUA will work, too.

Do I get a charitable deduction?

Yes. If you itemize, you may claim a charitable income tax de-

duction for a percentage of your gift, usually between 30% and 50%. Treasury tables set the percentage based on the number and ages of annuitants, the payment rate, and the applicable federal discount rate. Ask the UUA Legacy Gifts staff to estimate the tax benefits you might enjoy or use our online gift calculator.

How are annuity payments taxed?

When you fund a CGA with a cash gift, part of your annuity is tax-free income—until you reach your life expectancy—and part is reportable as ordinary income. If you fund your CGA with a stock gift, then your annuity income will be part tax-free, part ordinary income, and part capital gains income. When you outlive the actuarial predictions your annuity payments will be reportable as ordinary income.

What if I don't currently need the income?

You can choose to set up a deferred gift annuity or flexible gift annuity which gives you options about when you would like to start receiving annuity payments. Deferred annuity rates are generally slightly higher than the rates in immediate annuities.

Who manages investments?

The UUA and State Street Bank and Trust of Boston, MA are co-trustees of the UUA Annuity Reserve Fund. All gifts are added to this trust account and invested and managed separately from UUA institutional funds. The UUA Treasurer and Financial Advisor monitor investment performance and work with the bank to ensure that socially responsible investing is practiced.

May I see more financial information?

Yes. Prior to completing a gift, every prospective donor receives a disclosure statement. As of September 30, 2010, the Gift Annuity Reserve Fund held over 340 charitable gift annuities, with a fair market value over \$7.5 million.

Charitable Remainder Trusts

A charitable remainder trust (CRT) allows you to retain income for an unlimited number of individuals, provide specialized management of your gift, and it may increase your capacity to make gifts to your favorite charities.

A CRT is a separately invested irrevocable trust you create by designating a person or persons to receive income payments of at least 5% annually. Trusts can accept a wide range of assets, including cash, securities, closely held stock, or real property. At the conclusion of the income payments, the trust principal is distributed to the named charities.

A CRT involves administrative and start-up fees. Because of the increased flexibility of this gift option, it can also be somewhat complicated. Therefore, trusts established with the UUA must have a minimum value of \$100,000. You may work with your own attorney and/or financial advisor to establish a trust of any value.

Non-Cash Gifts and Gifts of Special Assets

NEW Extension of the charitable IRA rollover

Taxpayers, 70 ½ or older are again able to make tax-free transfers of up to \$100,000 per year from an IRA directly to charity. This law continues through 2011 allowing donors to rollover IRA assets for inclusion in tax year 2011.

Retirees are generally required to take minimum required distribution from their retirement accounts beginning in the year they turn 70½. Donors may count charitable IRA rollover gifts toward fulfilling their required minimum distribution.

Please contact the UUA for more information about direct contributions of qualified IRA assets. As with any substantial gift, we recommend that you consult your tax professionals.

Retirement Plans

Many individuals today have large qualified retirement plans such as an IRA, 401(k), or Keogh plan. These assets have been growing tax-free for years. Once the owner begins to receive payments from the qualified plans, the distributions are taxed. At death, the assets remaining in these plans are also included in the owner's taxable estate. A retirement plan may be an excellent source of funds for making a gift to the UUA.

You can designate a UU entity as a beneficiary to receive all or a portion of the remainder of your retirement plan assets. The simplest way is to ask your plan manager for a Change of Beneficiary Form.

A common strategy is to name your spouse or partner as the primary beneficiary of the IRA and the UUA and/or another UU organization as the contingent beneficiary. This is a revocable designation, which can be changed at any time.

Life Insurance

Some people no longer need their life insurance that was purchased years ago to provide for children or other family members. If you are in this situation, you may want to name the UUA as a beneficiary or contingent beneficiary. Any benefit the UUA receives from your insurance will be excluded from your taxable estate.

If you name the Association as irrevocable beneficiary and owner of your life insurance policy, you are eligible for an immediate income tax charitable deduction equivalent to the policy's cash surrender value or replacement value. If additional premium payments are due, you can deduct those payments as charitable contributions.

Real Estate

The growth of real estate values over the years has greatly enhanced interest in making real estate gifts to charity. A gift of real estate may consist of all or a partial interest in many types of property, such as a residence, vacation home, farm, ranch, condominium, cooperative apartment, or commercial property.

Real estate gifts may be made outright to the UUA or to a Charitable Remainder Trust, which would then provide income for you and/or loved ones. You can even contribute your personal residence but continue to live there for the rest of your life. This type of gift of a future interest in your home lets you continue to enjoy your home, without diminishing your standard of living, while obtaining a substantial income tax charitable deduction.

We would be delighted to talk with you and your advisor to help you determine how you may structure a gift that best suits your needs.



The UUA Umbrella Giving Program

As an association of congregations, the UUA can and should put its combined strengths to work for the benefit of all UU organizations. That is why, as part of our mission to serve our member congregations and the wider movement, the UUA has developed a simple and creative solution that we call "umbrella giving."

What is umbrella giving?

Umbrella Giving allows entities under the UU umbrella to receive gifts through a single donation to the Association.

How does it work?

The process is simple. You make a single gift to the UUA and let us know how you would like your gift to be distributed. The UUA then distributes the gift and notifies the benefiting entity according to your instructions.

Why would I want to use the UUA's Umbrella Giving Program?

The Umbrella Giving Program:

1. Creates a way for you to give anonymously.
2. Gives you access to life income gift options such as charitable gift annuities and charitable trusts.
3. Allows your congregation to focus its resources on programming instead of gift administration.
4. Provides you access to and support from knowledgeable and professional staff.
5. Creates accountability for gifts with restrictions.
6. Simplifies your estate plans.
7. Leaves a lasting legacy.

What types of gifts are eligible?

Any gift given to the UUA can be an umbrella gift. This includes cash, gifts of stocks, and planned gifts such as bequests and charitable gift annuities.

What does it cost?

Nothing. This is a completely free service supported by your contributions. We encourage individuals who make an umbrella gift to designate at least 25 percent of their gift to the UUA, to help us continue our work on behalf of all our congregations, but the final distribution of the gift is entirely up to you.

Can I give an umbrella gift to non-UU entities?

No. The Umbrella Giving Program was established to serve the larger UU community. Umbrella gift beneficiaries must be UU congregations, districts, theological schools, and other UU entities.

How do I designate an umbrella gift in my will?

First, you need to consult with your professional advisor to add the following suggested language to your will:

I give to the Unitarian Universalist Association (UUA) (tax I.D. number 04-2103733), a non-profit 501(c)(3) corporation, located in Boston, Massachusetts, [___% of my estate or the sum of \$_____ or specific asset] to be divided by the UUA consistent with any memorandum or statement of intent I may deliver to the UUA prior to my death.

Second, you send a signed letter to the UUA that describes how you want your gift to be divided. This is your letter of intent. We will contact you when we receive it. If at any point you want to update the beneficiaries, instead of having to update your will again, you simply send the UUA an updated letter of intent.

Will the beneficiaries be notified?

This decision is yours to make. You can choose to have us keep this gift confidential, notify the beneficiary of your umbrella gift, or notify the beneficiary that an anonymous umbrella gift has been made.

How quickly are funds distributed?

Once the UUA receives funds from a stock gift, estate, trust, or another type of gift, we will process and distribute the funds according to your intentions within two business weeks.

Which organizations have received gifts through the Umbrella Giving Program?

Through the UUA's Umbrella Giving Program, individuals have supported organizations including, but not limited to:

- All member congregations
- All 19 UU districts
- Unitarian Universalist Association
- Church of the Larger Fellowship
- Meadville Lombard Theological School
- Starr King School for the Ministry
- UU Retired Ministers & Partners Association
- Camp de Benneville Pines
- Ferry Beach Park Association
- Rowe Camp and Conference Center
- Star Island Corporation
- The Mountain Retreat and Learning Center
- Unirondack Camp and Conference Center
- UU Service Committee
- UU United Nations Office
- UU Women's Federation

The Association's resources and trained professional staff are here to assist you in making one gift that will ultimately help multiple Unitarian Universalist entities. Put the UUA to work to benefit the UU organizations you love!

For more information please contact:

UUA Office of Legacy Gifts
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