A Gift to NYU—With Income to You

WHAT MAKES THE CHARITABLE GIFT ANNUITY UNIQUE?

“The whole is greater than the sum of its parts.” This idea has resounded across the centuries and continues to resonate. In this issue, we look at a gift arrangement that is truly greater than the sum of its parts—the charitable gift annuity.

Part gift, part annuity, a charitable gift annuity combines unique features with important flexibility. It’s easy to see how the gift annuity is greater than the sum of its parts—a gift annuity lets you support the future needs of NYU while providing income for your retirement, all in a way that fits your personal and estate planning goals.

Please take a few moments to read about how this gift planning strategy could work for you. Whether you’re immersed in your career, getting ready to retire, or already enjoying retirement, a charitable gift annuity can be a smart way to realize philanthropic goals and meet personal planning needs. Don’t hesitate to contact us for more information, and be sure to ask for our complimentary brochure, Planning with Gift Annuities—How to do More for Yourself and Charity. As always, thank you for considering NYU in your philanthropic planning.

IN MEMORIAM—DEAN ABRAHAM L. GITLOW

We are saddened to announce the recent passing of Dean Emeritus and Professor of Economics Emeritus Abraham L. Gitlow, at age 95.

For generations of faculty and students, Dean Gitlow was the heart and soul of the University. A remarkable teacher, charismatic leader and prolific author, Dean Gitlow played the principal role in the rapid evolution of the Leonard N. Stern School of Business from a local school of opportunity to an

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The Charitable Gift Annuity: a Merger of Two Essential Concepts

Recognizing that the charitable gift annuity is more than the sum of its parts begins with understanding how this gift plan merges two essential concepts. First, our alumni, faculty and friends want to make a difference by supporting the University’s students, teachers and academic and research programs. Second, financial security for a lifetime is the top planning priority for most people.

In tandem, these two concepts can create tension that may prompt an important question: Can I make a charitable gift even though my retirement needs are still a top priority? For many, a charitable gift annuity makes it possible to answer this question with a confident “yes.”

How the Charitable Gift Annuity Works

A charitable gift annuity is unique because the gift creates an exchange. The University contractually agrees to pay a lifetime income to you in exchange for your gift. The income amount depends on your age, the amount of the gift, and when you want the lifetime payments to begin. Making a larger gift or deferring the start of payments will result in a higher payment amount.

Charitable gift annuity—one beneficiary

| $10,000 cash | 6.8% charitable gift annuity |
|donor, age 80| remainder to NYU |

income tax deduction $5,006
annual payments $680

Example: Rennie, age 80, has $20,000 in a CD that is ready to mature. He would like to make a gift to NYU and continue to protect his retirement. In the charitable gift annuity, he sees a way to do both. He decides to use some of his funds to set up a $10,000 charitable gift annuity to support NYU. In exchange for his gift, he will receive annual payments of $680 for the rest of his life, which will provide an important income stream in retirement. The gift also qualifies for a tax deduction this year in the amount of approximately $5,000, based on IRS tables. And a large portion of his NYU annuity income will be tax-free.

The NYU Gift Annuity is Flexible

Thanks to a number of attractive gift annuity options, a charitable gift annuity can be tailored to suit your unique financial circumstances and needs. Let’s look at some of the things you can do with a gift annuity.

Defer your annuity payments.

If you are in the midst of a career and retirement is still a long way off, the NYU gift annuity is a way to give now, enjoy an immediate current-year income tax deduction, accumulate income for the future, and receive a reliable fixed income during retirement.

Example: Connie, an attorney, plans to work for several more years. At age 55, she sets up a $50,000 charitable gift annuity to begin payments in 15 years. At that time, when she is 70 years of age, she will begin receiving annual payments of $3,900. The payments will continue each year for the rest of her life. Her gift qualifies for a charitable deduction of approximately $20,800 this year.
Cover one or two people.
You can design your gift annuity to pay income to yourself, or to yourself and another person (for example, your spouse). If two people are covered under the gift annuity, payments continue as long as either one of them is alive.

Example: Richard and Marge, both age 75, set up a two-life gift annuity for $20,000. They receive an annual payment of $1,000. Ten years later, after Richard’s death, Marge continues to receive $1,000 every year.

Provide payments for someone else.
You can design your gift annuity to pay income to another person. Even if you’re not the person receiving payments, you still benefit from the tax deduction.

Yet another option permits you to establish an NYU gift annuity through your will. You can include a bequest provision that leaves a legacy to NYU, with direction to the University to use the legacy to set up a gift annuity that will pay income to a family member or friend for his or her lifetime. The remaining gift asset will ultimately be used by NYU for the purpose you specify. In this way, you provide a reliable stream of income to a loved one while also supporting the future of the University.

### Immediate payment gift annuity rates

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### Questions Worth Considering

The first and most important reason to consider a charitable gift annuity is a desire to support NYU. If your philanthropic goals include helping us make a difference for needy students and the University’s academic programs, then a charitable gift annuity is worth exploring. Here are a few frequently asked questions that you may find helpful.

**Is a charitable gift annuity easy to set up?**
Yes. This gift plan is a contractual agreement between you and NYU. You inform us of the amount of your gift and when payments should start. We will prepare an illustration of the income and tax benefits, prepare the agreement and send it to you for your review. Once the gift is made, payments begin under the terms of the agreement. We continue to provide annual documentation of all payments you receive. Please contact us if you would like to see an illustration and a sample gift annuity agreement.

**How does the tax deduction work?**
Your gift is eligible for an income tax charitable deduction. Since a charitable gift annuity is part gift and part annuity, the amount of the deduction is based on IRS tables that calculate the present value of the University’s future interest. We can quickly provide an illustration that shows the deduction amount based on gift specifics (the gift amount, the age of the person receiving payments, and when payments begin).

**Will the payment amount fluctuate?**
No. The payment amount remains the same for the lifetime of the person receiving payments. For a two-person gift annuity, payments remain the same and continue for as long as either person is alive.

**What if I want to change the gift annuity amount?**
You can’t change the annuity once the agreement is in place. However, you can make a new gift to set up another charitable gift annuity to increase the amount of your total NYU annuity income. In fact, most of our gift annuitants return year after year to “add” to their gift annuities. It becomes the way they make their annual gift of support to the University.

**How do I decide whether to start payments now or later?**
If you need income now, you may prefer to start payments right away. However, a deferred annuity can provide a higher annuity payment rate. So if you can wait to start receiving income, the deferred gift annuity can be a good way to plan ahead for retirement. Whether payments begin immediately or later, you receive the tax deduction the year you establish the gift annuity. Again, we are happy to provide an illustration that shows how an immediate or deferred gift annuity works, including deduction amounts, based on your specific situation and goals. Just contact us by phone or email, or return the enclosed card.
DEAN ABRAHAM L. GITLOW  continued from page 1

internationally renowned institution. He was an active part of the NYU and Stern communities through his presence and teaching, even after his retirement, and through his generous support of the Stern School.

Dean Gitlow combined intense curiosity and resourcefulness. He began his business career in his family’s linen supply business. During World War II, he was preparing his doctoral dissertation at Columbia University about labor relations in that industry. Inducted into the US Army Air Force, he was stationed on a lonely landing strip in New Guinea. Unable to conduct research into the industry back home, he began exploring the trading patterns among the primitive Highlands tribal population. His study became the subject of a new and radically different dissertation; it was the first extensive ethnographic examination of a previously unknown area and a pillar of subsequent anthropological research techniques.

In 1947, he began his career at NYU as an instructor at the Leonard N. Stern School of Business—then the School of Commerce, Accounts and Finance. He served as Dean from 1965 to 1985, and is widely credited for helping the School survive the most difficult financial times in its history during the late 1960s. His academic interests were broad, including labor economics and industrial relations (a field for which he penned an authoritative textbook), corporate management, and ethics. Dean Gitlow’s expertise in both economics and anthropology informed his outlook on the role of human behavior and values in institutional cultures and structures.

Most recently, he commuted between his homes in Miami and New York City, regularly returning to the Stern School to teach an ethics seminar. He recently completed his fifteenth book, which will be published this fall. His previous works include a history of the Stern School.

Dean Gitlow’s beloved wife Bea was the beautiful and active First Lady of the School of Business during his deanship. He is survived by their two sons, Allan and Howard, and their families.

Dean Gitlow also left an indelible imprint on his students, who honored him by establishing the Gitlow Conference Room, the Gitlow Professorship of Management and Organizations, and the Abraham L. Gitlow Prize, awarded each year to a Stern School undergraduate.

Dean Gitlow’s focus on values was reflected in his tradition of giving to the Stern School, as well. His financial support established a classroom in his parents’ name and the Abraham L. Gitlow Scholarship Fund, established in part through his frequent contributions to the NYU Charitable Gift Annuity, leaving a meaningful legacy for students at the Stern School. Announcing Dean Gitlow’s passing, Dean Peter Henry remarked, “It was my great privilege to know Abe. A man with boundless optimism and energy, he personified ‘the School of Opportunity,’ and did so much to transform not only NYU Stern, but also the lives of generations of students.”

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It is important that the University’s legal name be used in all wills and trusts. We recommend use of the following language: “I give, devise and bequeath [assets] to New York University, a New York education corporation with its principal office at 70 Washington Square South, New York, New York 10012.” Please contact us so we can help you draft additional language that describes how you want your legacy to be used at NYU.