A Simple Gift Returns a Lifetime Income

Gift annuities benefit you and OU

If you think it's impossible to receive a high level of steady, reliable income in an era of uncertain, unpredictable market conditions while realizing many tax benefits, you should consider gift annuities.

As its name suggests, it is part gift and part annuity. The gift is a contribution of money or property to Oakland University. The annuity is an arrangement by which the university agrees to pay the donor a guaranteed income for life.

Gift annuities provide multiple benefits. Since a portion of the gift is treated as a charitable contribution, the donor gets an immediate income-tax deduction to help offset current income.

And, through the contribution, the donor makes a long-lasting difference to OU students today and tomorrow. OU receives the balance of the annuity account when the donor and his or her beneficiaries no longer need it.

Henry Price believes in doing philanthropic works while he is alive and can see the effects of his contributions. He also believes strongly in the importance of libraries and in the mission of Oakland University. Price demonstrated those beliefs by creating a gift annuity for Oakland University to increase the permanent collection of business materials in Kresge Library.

In exchange for his generosity, Price receives an attractive fixed-rate income during his lifetime.

"I am pleased that the gift annuity yields more than a CD and lets me make a gift now while I can enjoy it," Price says.

Price, a long-time friend and supporter of OU, also has served as a general trustee of the Michigan State/Oakland University Foundation, director of the OU Foundation and member of the foundation's finance committee.

Henery Price

Charitable gift annuities are tax-planning tools for young and old alike. While those donors approaching or in retirement can use a gift annuity to ensure an income for their lifetime, younger donors can take advantage of a deferred gift annuity for retirement planning.

Through a deferred gift annuity, donors can enhance retirement income and earn an immediate income tax deduction. Income from the gift begins at the planned retirement age. By deferring income, the donor receives a significantly larger deduction than a gift annuity would provide.

Gift annuities — and other contributions to OU — make a difference to the donor and help the university. ■

The simplicity of gift annuities

Creating a gift annuity is simple and straightforward. Since the university invests the funds, donors don't have to worry about managing another investment portfolio.

- A gift annuity can be established with a relatively small sum of money.
- There is no need to create a new will.
- A sum of money is transferred to Oakland University.
- Oakland University pays the designated person — usually the donor and his or her spouse — a set guaranteed income for life. The payments are backed up by the full assets of the university.
- A portion of the annual income is tax-free over the donor's life expectancy as a return on investment.
- At the death of the last income beneficiary, Oakland University receives the funds remaining in the annuity account.

For more information on gift annuities and other types of planned giving, please contact Don Whitton, director, Planned Giving, at (248) 370-3700, extension 1247 or visit the Giving to OU page from the Visitors & Friends button on the Web at www.oakland.edu.

Moving money out of the stock market? Consider creating a gift annuity.

Current gift annuity rates are significantly higher than other fixed-income investment rates. At press, CDs, money market funds and the like were paying between two and four percent. A gift annuity would pay a 72-year-old donor 7.4 percent, almost doubling the amount earned on the investment, and make a lasting impression on OU students.