

RETIREMENT PLAN ASSETS

GIFT PLANNING FOR



VIRGINIA ATHLETICS

Maximizing a Tax-free Gift of Retirement Plan Assets

For many individuals, a retirement plan is an important building block for future financial security. Many people enjoy significant growth in their accounts over time, comfortably benefiting from years of the assets' tax-deferred growth. Retirement plan assets can include your individual retirement account (IRA), pension plan, profit sharing plan, employee stock ownership plan (ESOP), 401(k) or 403(b).

If your retirement account is not depleted during your lifetime, any assets remaining generally will be subject to income tax in the hands of your

beneficiary, regardless of who that person is and regardless of the size of your estate. If that person is not your spouse, your estate may also have to pay estate tax on those assets. In some cases, the combination of the two can mean that your heirs could receive as little as 50% of the entire value of your account.

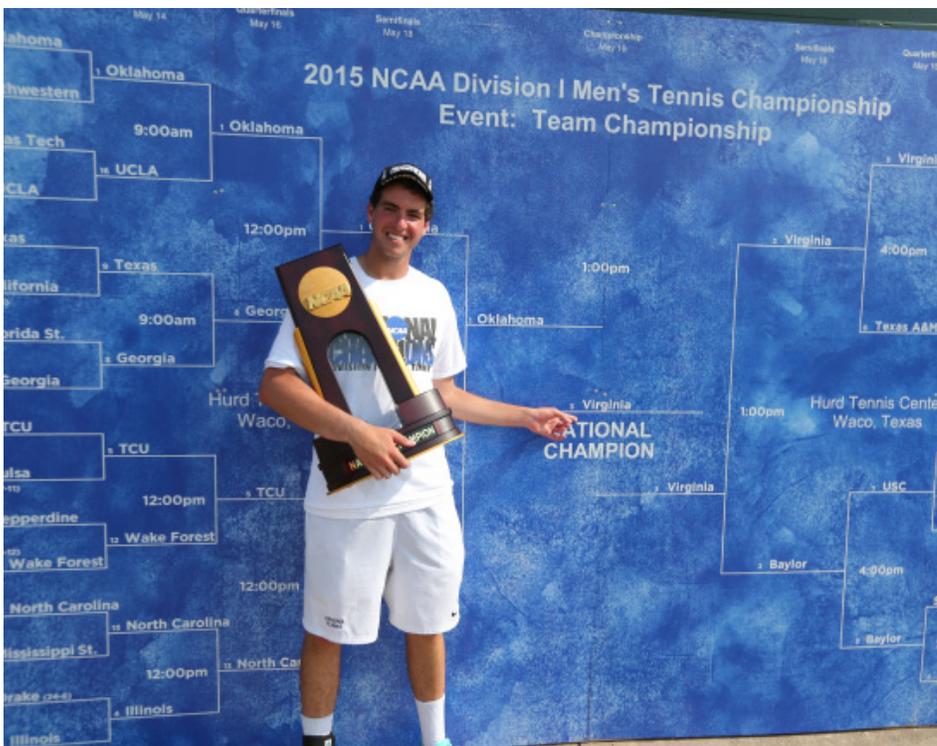
When you name the Virginia Athletics Foundation (VAF) as a full or partial beneficiary of your retirement plan account, all taxes will be avoided and 100% of your gift will provide support for the University of Virginia athletics program. This means that you not

only maximize the impact of each dollar in your plan, you also maximize your impact on the athletics program you so passionately care about.

Make a "Bequest" of Retirement Plan Assets

Making a "bequest" (a gift at the end of your life) of your retirement plan assets is easy. You simply request a new beneficiary designation form from your plan administrator and add the University or one of its schools or programs as a full or partial beneficiary. To complete the form, you will need the name and tax identification number of your beneficiary. For example, if you want to designate your account for the use of the Athletics Department you should designate the "Virginia Athletics Foundation" (tax i.d. # 54-0517188) as your beneficiary. Please note that if you are married, your spouse may have to consent to your designation.

You may decide to allocate a specific portion or all of your remaining plan assets for the unrestricted purposes of Virginia Athletics. Unrestricted gifts provide vital funds that allow the athletics program to address its most



continued



Gift of Retirement Plan Assets continued

pressing needs as they arise. Or, you may want your bequest to support the University's athletics program in perpetuity. You may do so by establishing an endowed scholarship or a sport-specific operational endowment that will broaden the educational and professional opportunities for generations of student-athletes. In this case, you would include the name of your endowed fund on the beneficiary designation form. If you have a specific purpose in mind, we encourage you to consult with the University's Office of Gift Planning or VAF before completing your designation. Whatever your passion or philanthropic focus, you can find a way to express it through a gift to the VAF. Communicating your intentions helps the VAF fully understand your philanthropic goals and ensures that there is a plan in place for implementing and achieving your vision.

What About a Current Gift of My Retirement Plan Assets?

Current law requires that you pay income tax on any plan withdraw-

als during your lifetime even if you immediately donate the assets to a charity. However, if you are already required to take minimum required distributions from your account, and you don't need that "mandatory" income for your own support, you can use those distributions to make an outright gift to the VAF, to establish a charitable gift annuity, or even to create a charitable trust. You will be eligible to claim a charitable income tax deduction based on the value of your contribution.

IRA Charitable Rollover Option

The IRS has extended the direct charitable IRA rollover option through December 31, 2014. If you are at least age 70 ½, you may make a direct payment from your IRA account to Virginia Athletics Foundation. This direct rollover of up to \$100,000 is tax free and will count towards your required minimum distribution (RMD). You may use the distribution to satisfy an outstanding pledge or to make a new gift designated for general athletics use or the sport of your choice.

The Cornerstone Society— Letting Us Say Thank You

On October 6, 1817, President James Monroe and former Presidents Thomas Jefferson and James Madison gathered at a ceremony to lay the cornerstone of Pavilion VII, the first structure at the University of Virginia. Just as this cornerstone provided the foundation for the University's first building, the Cornerstone Society is laying the groundwork for the University's achievements in the decades ahead. The Cornerstone Society comprises alumni, parents, and friends who have made planned gifts to the University or its related foundations, through wills, living trusts, or retirement plan assets; gifts of life insurance; charitable gift annuities; and charitable remainder trusts or lead trusts.

For More Information

To learn more about dedicating retirement plan assets to the Virginia Athletics Foundation or making a current gift, please call the VAF office at 434-982-5555 or 800-626-8723, or the Office of Gift Planning at 434-924-7306 or toll-free at 800-688-9882, email giftplanning@virginia.edu or visit the website at www.virginia.edu/giftplanning.



Neither the University of Virginia nor the Virginia Athletics Foundation provides legal or tax advice. We recommend that you seek your own legal and tax advice in connection with gift and planning matters. To ensure compliance with certain IRS requirements, we disclose to you that this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of avoiding tax-related penalties.