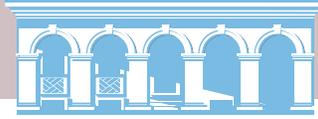


RETIREMENT PLAN ASSETS

GIFT PLANNING AT THE



UVA HEALTH SYSTEM

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 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 University of Virginia Health System 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 UVA Health System. This means that you not only maximize the impact of each dollar in your plan, you also maximize your impact on the Health System school, center, or program you wish to benefit.

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 UVA Health System or one of its schools, centers, 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 UVA Health System, you should designate the "**University of Virginia Health Foundation**" (tax i.d. # 41-2097394) as your beneficiary. Or, you may be a UVA medical graduate or faculty member and choose to support the UVA School of Medicine by naming the "**University of Virginia Medical School Foundation**" (tax i.d. # 23-7173411) 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 the UVA Health System. Unrestricted gifts provide vital funds that allow the Health System to address its most pressing needs as they arise. Or, you may want your





*The University of Virginia
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.

request to support the Health System in perpetuity. You may do so by establishing an endowed scholarship, graduate fellowship or professorship that will broaden the educational and professional opportunities for generations of young people. 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 UVA Health System Development Office before completing your designation. Whatever your passion or philanthropic focus, you can find a way to express it through a gift to the UVA Health System.

Communicating your intentions helps the Health System 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 withdrawals 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 UVA Health System, 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.

For More Information

To learn more about dedicating retirement plan assets to the University or making a current gift, please call the Office of Gift Planning at 434-924-7306 or toll-free at 800-688-9882, e-mail us at giftplanning@virginia.edu or visit our Web site at www.virginia.edu/giftplanning. The Office of Gift Planning mailing address is P.O. Box 400807, Charlottesville, VA 22904-4807. You can also find more information about other planned gifts to benefit the University on the Gift Planning Web site at www.virginia.edu/giftplanning.

The University of Virginia does not provide 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.

