

The Eastern Legacy



A Legacy of Service and Commitment

A Win-Win Situation

Dr. Amy King was born in Wyoming and grew up on a farm in central Missouri. She began teaching mathematics at EKU in 1972, shortly after completing her Ph.D. at the University of Kentucky. She retired in 1998 but still remains active in students' lives.

As a professor, Dr. King took particular interest in her students. "I have always felt that Eastern kids were very special," she says. "I still stay in contact with many of them, and a number of them are on my Christmas list."

When asked what she remembers most about her students, she says, "EKU students are kind and thoughtful. They take time to talk with their professors. You don't find that at a lot of places. I remember at one of my calculus finals, a student, who later completed graduate work in engineering, got up very early, turned in his paper and left. I noticed that he had not taken the cupcake I always furnished my students after their finals. I went

after him with a cupcake and asked why he had left so early. It was then we realized that he hadn't completed the second page of the final. If it hadn't been for the cupcake, he would have flunked. From then on, I always told my students that they could never say they didn't get anything out of my class. At least they always got a cupcake."

Dr. King is still providing support for her "Eastern kids." She says, "I have always heard that you should 'cast your bread upon the water.' I have never forgotten how a scholarship I received as a student greatly assisted me. I know that many ECU students struggle financially, and I wanted to help them as much as possible. For this reason, I have established a number of charitable gift annuities with Eastern. I planned to give to Eastern anyway at a future time, so I find this is a good way to do it now while I can enjoy seeing the benefit it provides. And, charitable annuities with Eastern provide



Dr. Amy King

income for life at a much better interest rate than you can otherwise receive. It is a win-win situation."

Perhaps you, too, want to help Eastern students while increasing your income. Charitable gift annuities with Eastern provide such an opportunity. For further information on how you can take advantage of this unique arrangement, please read the article on Page 2 and contact Bill Melton at (859) 200-3510 or bill.melton@eku.edu.

A Gift That Gives and Gives Back to You

Is there a life income plan for me, a person with a personal commitment to the mission of Eastern Kentucky University? Can I do anything with my maturing certificate of deposit besides renewing it at low market rates? What about my mandatory IRA distribution, cash or appreciated stock...can I use those to provide income to me and another person? Can I be assured of a fixed rate of income for life so that I don't have to guess how much I will receive? Can I combine these goals with my charitable intentions, and could that result in an income tax deduction, something I can always use?

Yes, to all of the above! A charitable gift annuity (CGA), used by charitable organizations since the 1830s, is a simple contractual arrangement that makes stable payments to one or two individuals for as long as they live. CGAs can be funded with as little as \$5,000. The American Council on Gift Annuities recommends payout rates, and for older individuals these rates can often exceed current market rates (see chart, right). Dependent upon the size of gift, date, age of beneficiary(ies) and type of contribution you select, benefits

of funding a gift annuity may include:

- A fixed rate of income for life, a portion of which is tax-free
- A charitable income tax deduction
- Avoidance of up-front capital gains taxation on appreciated assets
- A simple setup, with no investment worries or responsibilities
- The ability to establish a legacy at Eastern Kentucky University during your lifetime to benefit future generations

Suggested Charitable Gift Annuity Rates

One Life		Two Lives	
Age	Rate	Ages	Rate
55	5.5%	55/60	5.0%
60	5.7%	60/65	5.5%
65	6.0%	65/70	5.7%
70	6.5%	70/75	6.1%
75	7.1%	75/80	6.6%
80	8.0%	80/85	7.3%
85	9.5%	85/90	8.4%
90+	11.3%	90/95+	10.1%

The rate of return is slightly lower for two lives because the period of payment generally is longer.



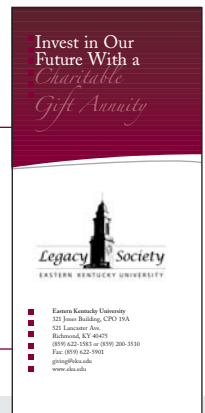
Donors around the country have so appreciated these CGAs that many fund one each year at a different favorite charitable organization, diversifying income sources and creating their own legacy of caring. Even younger donors can fund CGAs to provide payments to parents and as a tribute to them while they are alive to enjoy it. Younger donors can also fund CGAs for themselves and defer payments until some future time they select, such as age 65. These gifts can provide significant income tax savings now for younger donors while providing a diversified source of retirement income later. And, depending on what type of asset the donor gives and the age(s) of the annuity recipient(s), some or much of the lifetime payments can avoid being taxed as income until the donor reaches his or her life expectancy, as the donor recoups his or her original contribution in the gift annuity contract.

There is even an option for donors who probably will not need the payments but fear they may. A flexible gift annuity is funded now with a deferral period the donor sets, after which he or she can elect to start receiving payments. Donors who never make that election are entitled to additional tax breaks. This option offers a way to give to Eastern Kentucky University now but with income reserved if and when the donor needs it.

Only charitable organizations can offer charitable gift annuities, so call us today for more information and a personal illustration of how these income arrangements can work for you...to support you and your spouse or another person, your parents or others. Many creative and flexible options are available to you.

Payments for Life

When you establish a charitable gift annuity with Eastern Kentucky University you'll receive numerous benefits, such as payments for life! To learn the additional benefits of establishing an annuity, return the enclosed reply card to receive our FREE brochure, *Invest in Our Future With a Charitable Gift Annuity*.



Tax-Saving Opportunity

For Donors Aged 70½ or Older Expires Soon!

There's good news for individuals aged 70½ or older with individual retirement accounts (IRAs). Thanks to the Pension Protection Act of 2006, a simple, tax-friendly option has joined your stable of charitable giving possibilities.

Under last year's legislation change, you could make outright gifts using IRA funds without tax complications. And that opportunity is still available—but only until the end of this year! Previously you would have had to report money taken from your IRA as taxable income. You could then take a charitable deduction for a gift, but only up to 50 percent of your adjusted gross income.

During this limited window of time, you can easily make a gift while you are living and able to witness the benefits of your generosity. While you will not pay income tax on the amount, you also cannot claim a charitable deduction.

You may contribute funds this way if:

- You are 70½ or older
- Your gifts total \$100,000 or less
- You complete your gifts on or before Dec. 31, 2007
- You transfer funds directly from an IRA or Rollover IRA
- You transfer the gifts outright to one or more public charities (This excludes gifts made to charitable trusts, donor advised funds and supporting organizations.)

Moving Forward

Be sure to contact tax professionals and your IRA custodian soon if you are considering gifts under the new law. Our planned giving staff would be happy to provide more details about this opportunity.

EKU Legacy Society

Society

■ The Eastern Kentucky University *Legacy Society* recognizes alumni and friends who have provided for EKU in their estate plans. These charitable contributions greatly benefit Eastern while often offering substantial tax advantages to the donors.

■ The most common form of an estate or “planned” gift is a will bequest in which a donor names EKU as beneficiary of a specific dollar amount or residual percentage of an estate. Other planned gift options include charitable gift annuities, charitable remainder trusts and gifts of life insurance. A number of unique variations are possible with these plans, many of which provide donors with lifetime payments.

■ Please complete the enclosed card for more information on how to create an estate plan that will assist future generations of deserving Eastern Kentucky University students. If you have already made estate provisions for EKU, please let us know so that we may include you in the *Legacy Society*.



■ For questions or additional
■ information please contact:
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Invest in Our
Future With a
*Charitable
Gift Annuity*



Legacy Society

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