Charitable Gift Annuity Disclosure Statement

Thank you for your interest in establishing a charitable gift annuity with the ACLU Foundation.

Please note that the enclosed information is not intended as tax, legal or financial advice. We recommend that you consult with your legal and financial advisors to learn how a gift would work in your specific circumstances.

WHAT IS AN ACLU FOUNDATION GIFT ANNUITY?

The ACLU Foundation gift annuity is a way to make a gift to the ACLU Foundation that:

- Pays a life annuity; and
- May afford federal (and possibly state) tax benefits to the donor who establishes the annuity.

A gift annuity pays an annuity (a fixed amount every year for life) to either one or two beneficiaries. The donor of a gift annuity need not be listed as a beneficiary. The amount of the annuity and tax benefits depend on the number and age(s) of the beneficiary(ies) at the time of the gift, and the amount of the gift.

The ACLU Foundation gift annuity is a legal contract between the donor and the ACLU Foundation. The basic terms of the contract are:

- The donor irrevocably transfers cash or marketable securities to the ACLU Foundation to establish the annuity.
- The ACLU Foundation promises to pay the beneficiary(ies) at a fixed rate for life (or lives).
- The ages of the annuity beneficiary(ies) are rounded to the nearest whole year(s) for purposes of determining the annuity rate.
- Gift Date: In the case of mail it is the date postmarked on the envelope containing the check. In the case of an electronic transfer of cash or securities, it is the date the assets are received into the account of the ACLU.
The annuity may not be assigned to a third party.

Currently, the ACLU Foundation does not issue gift annuities to residents of Alabama, Hawaii or Tennessee.

**SAFETY OF GIFT ANNUITY PAYMENTS**

Payments made under a gift annuity are not insured or guaranteed by an insurance company, are not protected by an insurance guaranty association, and are not backed in any way by the states. The ACLU Foundation wants you to know about our financial strength and the applicable regulatory safeguards before you make this important decision.

**Our Overall Financial Strength**

As general liabilities of the organization, gift annuities are backed by the full faith and credit of the ACLU Foundation and its overall financial strength. A copy of the most recent audited financial statements of the ACLU Foundation, Inc. is available at www.aclu.org/finances, or upon request. Updated information may be requested at the time of your gift or at any other time. In addition, the ACLU Foundation's annuity program is regulated by the New York State Department of Financial Services and by certain other state insurance departments. (The ACLU Foundation is a New York State corporation.)

**Who Administers the Program**

The ACLU Foundation’s annuity fund is invested and managed professionally by the nationally recognized firm, TIAA Kaspick. TIAA Kaspick is one of the leading advisors in providing comprehensive charitable gift management services.

**PAYMENT RATES**

The ACLU Foundation currently offers gift annuity payment rates recommended by the American Council on Gift Annuities, except in particular instances for beneficiaries who are residents of New York State*. The rates have been calculated to ensure that the gift annuities provide attractive payments to beneficiary(ies) and also provide a substantial gift to the ACLU Foundation. Because a charitable gift is involved, the rates are generally lower than those available through commercial annuities offered by insurance companies and other financial institutions.

*NYS Residents: As of 2020, New York State has changed the maximum allowable gift annuity payout rates for immediate 1-life annuities that fall within a specific age range and are calculated in part by gender. For all other annuities, we will follow the rates recommended by the American Council on Gift Annuities.
The ACLU Foundation gift annuity is not, and should not be viewed as, an investment. It is, rather, a way to receive annuity payments while making a charitable donation. Unlike an investment, with a gift annuity you do not own the principal. Instead, you will have irrevocably given away the principal, and you will only be entitled to the agreed-upon lifetime payments. There is no cash value and no guaranteed minimum payout.

For those who itemize, the Internal Revenue Service permits a federal income tax charitable deduction for the gift portion of the amount that you use to establish your annuity. The gift portion is the difference between the amount you use to establish the gift annuity and the value (as determined under IRS regulations) of your annuity payments.

Your deduction is based in part on a specific IRS interest rate, which changes monthly. The higher the applicable interest rate, the higher your deduction, and vice versa. The taxpayer is allowed under IRS regulations to use the applicable rate for the month of the gift, or to elect to use the rate from either of the previous two months if doing so will result in a larger deduction. We will inform you if an election of an alternate rate is to your advantage.

Your federal income tax charitable deduction may be claimed up to an annual limit of 60% of your adjusted gross income if you establish your gift annuity with cash or up to 30% of your adjusted gross income if you establish your gift annuity with appreciated securities. In either case, any excess deduction amount may be carried forward for up to five additional years. You should contact your accountant or tax advisor for additional details regarding the deduction you may claim for federal (and possibly state) tax purposes.

This disclosure statement is intended to provide a reasonably full and fair disclosure regarding the American Civil Liberties Union Foundation’s gift annuity program.

If you have any questions:

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