

Charitable Gift Annuity Application

SECTION 1—DONOR INFORMATION

DONOR 1

☐ Same as Annuitant 1

Name (first, middle initial, last): _____

Legal Domicile (state): _____

Primary Mailing Address: _____

Email: _____

Phone: _____

Birthdate: _____

DONOR 2

☐ Same as Annuitant 2

Name (first, middle initial, last): _____

Legal Domicile (state): _____ ☐ Same as Donor 1

Primary Mailing Address: _____ ☐ Same as Donor 1

Email: _____

Phone: _____

Birthdate: _____

SECTION 2—GIFT INFORMATION *(Minimum gift amount is \$10,000)*

☐ I enclose my check for \$ _____ payable to Bowdoin College.

☐ I would like to make my gift with a credit card. Please contact me.

☐ I will have the following appreciated securities (held for more than one year) transferred:

Bowdoin College will provide transfer instructions for gift annuities funded with appreciated securities.

Your gift annuity will be valued as of the date the securities arrive in Bowdoin's brokerage account.

NAME OF SECURITY	NO. OF SHARES	APPROX. ACQUISITION DATE	TOTAL COST BASIS

ASSET OWNERSHIP

The above securities are owned by: ☐ Donor 1 ☐ Donor 2 ☐ Both Donors

Prior to transfer, please contact our office if the securities are titled to person(s) other than the annuitant(s) as there may be tax implications depending on the structure of the annuity agreement.

The Applicable Federal Rate (IRS Discount Rate) is set each month by the IRS and is used in the calculation of charitable deduction and tax-free portion of annuity payments. The donor may choose the rate for the current month or the rate from one of the two previous months. The higher the AFR, the larger the charitable deduction and the lower the tax-free portion of the annuity payment.

☐ I/we elect the highest available AFR **OR** ☐ I/we elect the lowest available AFR

I WOULD LIKE THE REMAINDER OF MY GIFT ANNUITY TO SUPPORT:

☐ General purposes of the College **OR** ☐ A specific endowed fund: _____

DONOR AND GIFT RECOGNITION

☐ I/we want to be listed as _____ in the Bowdoin Pines Society.

☐ I/we prefer to be (an) anonymous Bowdoin Pines Society member(s).

(Please complete reverse.)

SECTION 3—ANNUITANT INFORMATION

The order of annuitants is important. Please contact the Office of Gift Planning to review the options.

ANNUITANT 1

☐ Same as Donor 1

Name (first, middle initial, last): _____

Legal Domicile (state): _____

Primary Mailing Address: _____

Email: _____

Phone: _____

Social Security No. or Tax ID No.: _____

Birthdate: _____

ANNUITANT 2

☐ Same as Donor 2

Name (first, middle initial, last): _____

Legal Domicile (state): _____

Primary Mailing Address: _____

Email: _____

Phone: _____

Social Security No. or Tax ID No.: _____

Birthdate: _____

SECTION 4—PAYMENT INFORMATION

Annuity payments are made on the last day of March, June, September, and December.

Please check one of the following:

- ☐ Payments shall be made solely to the Annuitant 1.
- ☐ Payments shall be made jointly to the above annuitants, then to the survivor.
- ☐ Payments shall be made to Annuitant 1 for his/her lifetime, then to Annuitant 2.

PAYMENT START DATE

- ☐ Immediate payment
- ☐ Deferred payments with future start date: _____*
- ☐ Flexible deferred payments with: Earliest start date: _____* Latest start date: _____

**Deferred payment start date must be at least one year from the date of gift.*

PLEASE COMPLETE THE ATTACHED DIRECT DEPOSIT FORM AND ENCLOSE A VOIDED CHECK OR PRE-PRINTED DEPOSIT SLIP WITH YOUR APPLICATION.

Upon receipt of your completed application and gift, the Office of Gift Planning will prepare and send you a Gift Annuity Agreement.

I/we acknowledge receipt of Bowdoin College's Gift Annuity Disclosure Statement.

DONOR 1 SIGNATURE

DATE

DONOR 2 SIGNATURE

DATE

RETURN TO:

Office of Gift Planning
Bowdoin College
4100 College Station
Brunswick, Maine 04011

PHONE:

207-725-3172

FAX:

207-798-7030

E-MAIL:

giftplanning@bowdoin.edu

Charitable Gift Annuity Program Disclosure Statement

Bowdoin College was chartered in 1794 and is considered to be among the finest liberal arts colleges in the country. Responsibility for its governance is vested in a Board of Trustees, with a minimum number of thirty-five and a maximum of forty-five. The board annually appoints an Investments Committee—consisting of six trustees, one faculty member, and one student—which has oversight responsibility for the College's investments.

Bowdoin College's charitable gift annuities are created in accordance with the Maine statutes,

24-A M.R.S.A. §703-A. Pursuant to Maine law and the Philanthropy Protection Act of 1995, Bowdoin is pleased to provide certain required disclosures.

YOUR GIFT

A charitable gift annuity is a popular planned giving vehicle that allows you to receive a fixed income stream for your life and also to make a gift to Bowdoin College. In return for your gift, Bowdoin College promises to pay you (and/or beneficiaries of your choice) a fixed sum for life, or a term of years. This payment will not increase and as a consequence it provides no protection against inflation. It is possible that your gift objective may not be met (establishing a \$100,000 endowed scholarship, for example) if, for example, a beneficiary substantially outlives his or her life expectancy. The minimum contribution to fund an initial gift annuity is \$10,000, typically in the form of cash or appreciated publicly traded securities held by you for more than one year.

The payments to you are a general obligation of Bowdoin, backed by all of the College's assets. At June 30, 2014, the College's total invested funds exceeded \$1.2 billion, and they are invested in a variety of assets, including stocks, bonds, mutual funds, partnership and limited liability company interests, real estate funds, and governmental obligations. A copy of the College's most recent Financial Report is available. The annuity is neither issued by an insurance company nor regulated by the Maine Bureau of Insurance or the Maine Office of Securities and is not protected by any state guaranty fund or protective association.

FEDERAL TAX CONSEQUENCES

With a gift annuity you simultaneously make a charitable gift and provide payments to yourself and/or someone else. Because you are making a charitable gift, you may be entitled to income, gift, and estate tax deductions.

Income Tax. A gift annuity provides you with an income tax deduction in the year of the gift equal to the difference

between the amount of your contribution and the present value of the annuity (the income stream) to be paid to you or other annuitants. Under current law, this charitable deduction is available only to those who itemize. The size of the available charitable deduction is based upon the size of the gift, the age of the annuitant(s), and the interest (or discount) rate (published monthly by the IRS) in effect at the time of the contribution.

If you use cash to fund your gift annuity, you can deduct the value of the charitable portion of your contribution, together with your other cash gifts made during the taxable year to qualifying charities, in an amount up to 50 percent of your adjusted gross income. If the value of your total cash gifts to public charities exceeds 50 percent of your adjusted gross income, you may carry over any excess to offset income for up to five additional years.

If you use appreciated securities (held by you for more than one year) to fund your gift annuity, the value of your contribution and the resulting income tax deduction is based on the fair market value of the securities on the date of the gift. Your current tax year deduction for all gifts of appreciated assets may not exceed 30 percent of your adjusted gross income, with a similar five-year carry-over for any excess.

A transfer of appreciated assets to Bowdoin College to create a gift annuity will result in the recognition of some taxable gain. If you are the only, or the first, annuitant, and the annuity is non-assignable, you may be able to defer the gain and recognize it proportionately over your lifetime, rather than being taxed on the entire amount at the time of the gift.

The annuity will ordinarily be made in quarterly payments and will be constant over the lifetime of one or two annuitants. A portion of each payment will be taxable as ordinary income. If you fund the annuity with appreciated assets and you are eligible to defer the gain as described above, a portion of each payment will be taxable as capital gain to you. Finally, a portion of each annuity payment may be tax-free representing a return of the investment in the annuity. If the annuitant outlives his or her life expectancy, as projected by tables adopted by the IRS, the entire annuity payment will become taxable as ordinary income.

Gift and Estate Tax. If you name other individuals as either current or future annuitants and you do not reserve the right to revoke their interests by will the value of such other annuitant's interests will be a taxable gift at the time the annuity is created. If the only annuitant named is your spouse, his or her interest may be qualified for the gift and estate tax marital deductions. If the annuitant is your grandchild, or a person who is treated as being two generations or more removed from you, your gift may be subject to the generation skipping transfer tax.

(Continued on reverse.)

Charitable Gift Annuity Program Disclosure Statement (continued)

INVESTMENT INFORMATION

It is Bowdoin's present intention to maintain the assets used to fund annuities in a pooled investment fund held separately from other College funds. Investment management and administrative services are presently provided by TIAA Kaspick of Redwood Shores, California, and Boston, Massachusetts. At some point in the future, the College may decide to commingle the annuity assets with its endowment funds.

It is expected that the pool will invest in a diversified portfolio of assets which may include both debt and equity securities in such proportions as seem advisable from time to time in light of current market and economic conditions, as well as other real and personal property and cash to the extent deemed advisable. The pool's management is overseen by the Investments Committee, a committee of the Board of Trustees of Bowdoin College.

There are no specific limitations or restrictions on the types of investments which may be made; however, Maine has adopted statutory standards which would govern Bowdoin's fiduciary duties.

Common investment funds, including charitable gift annuities, managed by the College are exempt from registration requirements of the federal securities laws, pursuant to the exemption under the Philanthropy Protection Act of 1995.

FURTHER INFORMATION

This statement does not cover all aspects of the charitable gift annuity or attempt to explain in detail how a contribution to establish an annuity may fit your individual situation. Any questions about the annuity or other ways to structure charitable gifts should be addressed to the Office of Gift Planning, Bowdoin College, 4100 College Station, Brunswick, Maine 04011, 207-725-3172. You may wish to consult with your own legal and tax advisors regarding your individual situation.