

CGA Rate Increase for Older Donors at a Crucial Time

BY RICHARD H. JOHNSON, J.D., CFRE

With the volatility of the stock market, many people are realizing it is difficult to find a way to generate a high rate of income on a fixed, guaranteed, long-term basis.

For those philanthropic individuals, something to consider is establishing a CGA (Charitable Gift Annuity) with a charity like the VNA Foundation who follows the ACGA (American Council on Gift Annuities) recommended CGA payout rates. VNA has adopted the ACGA newly recommended rates which became effective on July 1, 2011. Generally, payout rates decreased slightly for donors age 69 and younger; stayed the same for donors age 70 through 74; but increased for donors age 75 and above. Since the vast majority of CGA donors are 75 or older, this was good news! Once your CGA has been established, your rate never changes and annuity payments continue for the life, or lives, of the annuitant(s). The residuum, or remainder interest, will eventually benefit and support the mission of the VNA here in Indian River County.

Below, please find a List of some Sample CGA Rates:

Single-Life CGA Rates

Age	Prior Rates	Current Rates
75	6.4%	6.5%
77	6.7%	6.8%
80	7.2%	7.5%
82	7.5%	7.8%
85	8.1%	8.4%
87	8.6%	8.9%
90+	9.5%	9.8%

Two-Lives CGA Rates

Ages	Prior Rates	Current Rates
75-75	5.7%	5.7%
77-77	5.9%	5.9%
80-80	6.3%	6.3%
82-82	6.5%	6.7%
85-85	7.1%	7.4%
87-87	7.5%	7.9%
90-90	8.3%	8.8%
92-92	8.9%	9.6%
95+95+	9.3%	9.6%

Rates are based on the age(s) of the annuitant(s) nearest birthday(s). By law, CGAs may only be established for one or two lives. For a free, no-obligation personal illustration showing your income tax deduction; payout rate for life (or lives); amount of annual income that is tax-free; and other tax and charitable benefits, please contact Richard Johnson at the VNA Foundation at 978.5574 or rjohnson@vnatc.com.

Thank you for sponsoring
this newsletter:



11th Annual Nightingale Society Luncheon Set for November 15th

The VNA Foundation will hold its 11th annual Nightingale Society Luncheon from 11:30 a.m. to 1:00 p.m. on Tuesday, November 15, 2011 in the Waterfront Dining Room of the Quail Valley River Club. Each year, the Foundation hosts the appreciation luncheon for its donors who have advised the VNA that they have included the Foundation in their estate plans.

The VNA President/CEO, Joyce Baldrice, will inform attendees of the new programs and services that VNA is providing for the health and well-being of the community. Many of these programs and services are able to be offered in large part due to the generosity and philanthropic support of our donors, and our Nightingale Society members in particular.

A special thanks to Wilmington Trust for being the exclusive event sponsor again for the second consecutive year. We would also like to thank Kelly Donovan and the White Orchid Spa for providing a pampered spa treatment as a door prize, also for the second year in a row.

If you have included the VNA in your will, trust, or other estate plans, please let us know so that we can recognize you as a Nightingale Society member. We would like to extend an invitation to you and your guest to join us for our annual Nightingale Society Luncheon. Simply let us know by contacting the Foundation at 978.5568.

How the New Law May Affect Your Estate Plan



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In December 2010, Congress passed the 2010 Tax Relief Act that reset the estate planning landscape for just two years: 2011 and 2012. Among other things, the law reinstated the federal estate tax at a maximum 35% rate for estates valued at more than \$5 million. It also set a unified exemption amount of \$5 million per individual for gift, estate and generation-skipping transfer taxes.

New Opportunities Through 2012

Prior to the new law, the gift tax exemption was limited to \$1 million per person. The increased gift tax exemption encourages lifetime gifts, which help reduce the size of an estate and future estate taxes.

The new rules also provide greater opportunity to remove future appreciation of assets from your taxable estate. In the past, because the lifetime gift exemption was capped at \$1 million, many people were limited in how much they could give

away — so they sought techniques for compressing the value of their assets, sometimes through the use of family limited partnerships. Now, it may be simpler to give those assets away during 2011 and 2012.

Using Trusts to Preserve Assets

The new tax law creates opportunities for individuals using life insurance and irrevocable life insurance trusts as part of their estate plan. Specifically, you may use your \$5 million gift tax exemption to transfer insurance policies with high cash values to irrevocable life insurance trusts. In addition, you can use the increased gift tax exemption to give cash to trusts that can be used to pay policy premiums.

Careful Planning is Essential

It may look like the legislation has simplified things; however, for the next two years we believe it is very important for you to stay close to your advisors and examine all these issues — how your current plan is structured, how assets are owned between spouses, whether additional gifting is appropriate — and ensure your planning documents are drafted in such a way as to remain valid given the fast-changing environment surrounding transfer taxes.

Working alongside your other key advisors, PNC Wealth Management can help you develop an estate plan that complements your overall wealth management objectives. If you would like professional guidance specific to your personal situation, please contact Kevin Grady with PNC Wealth Management at 772.231.5308 or 800.841.7732 or email kevin.grady@pnc.com.



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Joan Glad – Donor Gives Back



Joan Glad

After her husband received VNA hospice care, Joan Glad knew she wanted to give back something to the non-profit agency. So, she followed the path like a growing number of residents have

and established a VNA Charitable Gift Annuity, benefitting both herself and the VNA. That means she has made a gift to the VNA of money now for which she will receive substantially more income than she could earn currently on a CD or similar instrument.

Having worked for Sperry Unisys in Queens, New York as a secretary and

computer operator for 28 years, she and her late husband, George, came to Vero in 1992 to retire. George was an unemployment insurance investigator for the State of New York.

Joan considered a charitable gift annuity with either the Red Cross, or the Salvation Army, because they also do good work. However, she had a relationship with the VNA and knew the agency to be a worthy recipient. Hospice nurses, doctors, and other clinicians, in her opinion, provided superior care for George for nearly three weeks before he died of pancreatic cancer in 2005.

About her husband's care, Joan said simply, "Excellent. The people were very nice. They helped me a lot, especially with the medications. VNA nurses came even during the night."

"I felt close to the VNA. That's the real reason I chose VNA," she said.

Over the past couple of years, Joan has cashed-in several matured savings bonds and contributed the cash proceeds to establish four Charitable Gift Annuities with the VNA. She liked the idea that she could make gifts now, keep the income for the rest of her life, and eventually benefit the good work of the VNA.

For the past seven years, Joan has spent a good deal of her time creating and teaching crafts that are sold by, and for the benefit of, Christ by the Sea Methodist Church.

Joan is a true philanthropist who gives back to her community by donating her time, talent, and treasure.

Heritage Planning Inspires Donors and Advisors

On May 5, 2011, Rodney Zeeb, J.D., CEO & Founder of The Heritage Institute in Portland, Oregon, spoke to donors and advisors at breakfast and lunch sessions on the topic of “Heritage Planning.” The speaker explained that, “Historically, 90% of families fail to keep their family unity and their assets together for more than three generations.” He stated further that, “By studying the elements that the successful 10% of the families utilize to sustain their family prosperity and unity from one generation to the next gives us some real insight into what elements make things work. The Heritage Planning Process involves multi-generational planning for families who not only want to pass family wealth to future generations of their family, but also family values.”

Thirty-two advisors attended the morning session and thirty-nine donors and friends of the VNA attended the luncheon seminar.

We offer a special THANK YOU to our seminar Sponsors:

Kmetz Nuttall Elwell & Graham, PLLC; Quail Valley–Golf Club & River Club; RBC Bank; Robin Lloyd & Associates, P.A.; Rossway Moore Taylor & Swan; Wells Fargo–The Private Bank



Seminar Speaker, Rod Zeeb, explains the Heritage Planning Process to VNA Donors.



Front Row: Richard Johnson, Rod Zeeb and Sponsors: Michael Kmetz, Robin Lloyd and Scott Wall

Back Row: Sponsors: Brian Elwell, John Moore, Patrick Graham, and Bentley Utt.

Lydenberg Fall Seminars Focus on Life Income Gifts



Jeff Lydenberg

Jeff Lydenberg, an attorney and consultant for PG Calc, a planned giving services company based in Cambridge, Massachusetts, will present two seminars focusing on “Life Income Gifts” on November 1, 2011 at Quail Valley River Club.

The morning breakfast session will take place from 7:30 a.m. to 11:00 a.m. and will provide three-hours of CE credit for professional advisors. The Advisor Seminar will address the following topics: “Creative Solutions with Combination Planned Gifts;” “Making the Right Choice Between a Gift Annuity and a CRT;” and “Advanced Applications with Gift Annuities.”

The Donor Seminar and Cocktail Reception will be held from 3:00 pm to 5:00 pm. The speaker’s presentation will be on the topic of “Supplementing Retirement Income with Life Income Gifts.” Jeff contends that, “A critical issue for retirees is how to make their money last for the rest of their lives. A life income plan can be part of that planning. Additionally, those who are still working can use life income plans to complement strategies to generate a stream of payments in retirement. This presentation will address both how retirees can redeploy assets in retirement and how donors in their working years can use life income arrangements to make a gift and secure their retirement.”

For Reservations for either the donor seminar or the advisor seminar, please contact Barbara Kaplan at 978.5568 or bkaplan@vnatc.com by Wednesday, October 26, 2011.

A special THANK YOU to our Sponsors:

Gold Sponsors: Robert G. Bowman–Past Foundation Board Member; Thomas C. Lee, Jr.–Gunster, Yoakley & Stewart, P.A.

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Reward Yourself Through a Gift to the VNA & Hospice Foundation

Age of Annuitant	Single Annuity Payment Rates
60 – 69	4.8 - 5.7%
70 – 79	5.8 - 7.3%
80 – 89	7.5 - 9.5%
90+	9.8%

This information is provided as an educational service only. Rates are subject to change. For one-life or two-lives specific rate information, contact Richard Johnson at the VNA & Hospice Foundation at 772.978.5574 or email rjohnson@vnatc.com. For advice, contact your tax advisor.

New Nightingale Members

The following are new members:

John Klein
 Patsy B. Daniels
 Tom Naerebout & Dr. Cathie Chandler
 Densie G. Mulligan
 Elizabeth G. Quinn Donald
 Patty Little

Nightingale Society Members are those generous living individuals who have informed the VNA Foundation that they have included the VNA in their estate plans.

Beacon Society
 Dorothy C. Koehn
 Doris E. Markham

Beacon Society Members are those generous deceased individuals who have provided legacy gifts to the VNA Foundation received from their estates.



Wendy O'Neil

VNA & Hospice Foundation Welcome New Vice President

The Visiting Nurse Association of the Treasure Coast is pleased to announce that Wendy O'Neil has been selected as the organization's new Vice President in charge of philanthropy.

"Ms. O'Neil stated that for the past thirty-six years, the VNA has provided compassionate, innovative care of the highest quality to the citizens of Indian River county. The organization has set the standard for patients and caregivers needing home health, hospice, and community health services. I look forward to making Vero Beach my home and joining those who work to serve the mission of the VNA."

O'Neil brings to the VNA over thirty years of development and leadership experience. In her new role, she will be responsible for the management and direction of all aspects of the VNA & Hospice Foundation, the fundraising arm of the non-profit healthcare organization.

Prior to joining the VNA, O'Neil served as the Director of Institutional Development at The Appalachian School of Law in Grundy, Virginia. There she established a development program that included annual giving, planned giving, major gifts, special events, corporate giving, and foundation giving. In addition, O'Neil also worked as the Director of Development for the Vanderbilt University Medical Center in Nashville, Tennessee where she helped to raise over twelve million dollars for the Vanderbilt School of Nursing.

Outside of her extensive professional experience, O'Neil has been affiliated with the United Way, Lakewood Community Theatre, and was a Rural Area Medical volunteer at the Kiwanis Club of Grundy. O'Neil earned her Bachelor's Degree from Catholic University in Washington, D.C.

"We are very excited about Wendy joining the VNA," said Joyce Baldrice, VNA's President and CEO. "Her experience and expertise in fundraising and development will be a great addition to the VNA & Hospice Foundation team."

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