

The Gift That Gives Back

One myth of philanthropy is that you must be wealthy to make a significant charitable gift. Millsaps alumnus Judge William “Bill” Bizzell ('39) and his wife, Rita, of Cleveland, MS, debunk that myth.

Judge Bizzell, 90, established a charitable gift annuity at Millsaps several years ago because of his desire to give back to the place that had such a positive impact on his life. “We don’t consider ourselves wealthy; we expect income from investments to help cover any long-term care,” said Judge Bizzell. “The charitable gift annuity fits well in our financial planning.”

Bill entered Millsaps in 1935. He graduated in 1939 with a major in math and a minor in general sciences. While at Millsaps, he served as a student assistant in physics, astronomy, and English. He was a member of Pi Kappa Alpha fraternity along with the late Ellis Finger, former Millsaps president and bishop, and Bishop Roy Clark. Bill met his wife of 62 years, Rita, while he was a student at Millsaps and she was a student at Mississippi University for Women.

After graduation, Bill enrolled at Duke University to pursue a graduate



Rita and Judge William Bizzell ('39)

degree in economics. A year later he transferred to the University of Mississippi School of Law. During World War II, Bill became a Navy pilot. He first was assigned to train new pilots at Pensacola, FL, and then spent almost a year flying anti-submarine patrol out of southwest England. In later years, he owned an interest in a 4-seat Cessna 172 airplane and continued to fly a limited amount until his mid-eighties.

He practiced law for 15 years in Cleveland before being elected chancery judge. He served 26 years on the bench until his retirement in 1989. At age 85, Bill established a gift annuity at Millsaps, and he receives guaranteed lifetime quar-

terly payments of 10.5 percent of his donation. “It is a practical way of doing something meaningful for the College while providing us with regular income,” he said.

The Bizzells are longtime supporters of the Annual Fund and have made a gift to the current Legacy Campaign. They also made a donation to help erect the John Wesley statue that faces the Bowl at Millsaps.

“Giving away money and retaining a life income from it sounds too good to be true,” said Judge Bizzell, “but that’s how charitable gift annuities work.”

When you establish a charitable gift annuity, approximately half of the initial corpus is available for charitable purposes at the College upon your death. Unlike a bequest, a gift annuity provides you with regular payments as long as you live. Once established, the payment rate never changes. You cannot outlive a gift annuity’s benefits. All of the available assets of Millsaps College stand behind the obligation to make the regular payments.

In addition to the benefit of a fixed payment rate, the donor also receives a generous tax deduction

Continued on page 2

Balancing Interests in Changing Times

Uncertainty in the stock market as well as low interest and dividend rates have continued to affect many persons' cash flow and possibly their charitable contributions.

Even in today's challenging environment, you can make a significant charitable gift while realizing maximum personal and philanthropic benefits.

Enjoying more income

Few alternatives exist for those who would like more spendable income from their assets. Most options involve selling low-yielding assets and reinvesting the proceeds in ways that will produce greater return. Such sales normally result in payment of capital gains tax on the profits realized from the sale.

Charitable dimensions

Fortunately, there are ways to enjoy increased income while also making meaningful charitable gifts. In this issue of *Heritage*, we explore **charitable gift annuities**, which allow you to make gifts that provide you with more spendable income at lower tax rates.

Recent tax legislation has caused more Americans to be exempt from estate taxes. This means that many will be able to leave more to their loved ones and charitable interests. Gift annuities can be an excellent way to arrange for future gifts while enjoying current tax benefits and also eliminating any estate taxes that may still be due.



The Bowl

Read on for answers to some of the most frequently asked questions about gift annuities.

The Gift That Gives Back...*continued from page 1*

that is approximately 50 percent of the face value of the annuity. Federal tax laws provide that you can use this deduction to reduce your income taxes over as many as six years. You will not owe taxes on a large part of your payments for a period of time equal to your life expectancy, and the amount

used to fund the gift annuity reduces your estate for federal tax purposes.

The generosity of donors like Bill and Rita Bizzell assures that future generations of students and faculty will have added resources upon which to build the rich history and proud legacy that

defines Millsaps College. If you would like additional information on establishing a charitable gift annuity at Millsaps, contact Dudley Marble at (601) 974-1026 or e-mail him at marblrd@millsaps.edu.

Answers to Frequently Asked Questions

Gift annuities can help meet the needs of those who wish to give but want to make certain they first have provided for their financial needs and those of their loved ones.

Read on for answers to some of the most frequently asked questions about gift annuities.

Q. What is a gift annuity?

A. A gift annuity is an agreement between an individual and Millsaps College. The donor transfers assets in return for fixed payments for the rest of his or her lifetime and/or the lifetime of another person.

Q. What are the tax benefits?

A. There can be a combination of income, capital gain, and estate tax savings. We will be happy to provide you with a complimentary illustration.

Q. What determines the size of my payments?

A. A number of factors, including the amount given and your age at the time the annuity is created.

Q. Why does my age affect the rate of payment I receive?

A. Part of the amount you transfer is returned to you over your life expectancy, and life expectancy changes with age. Generally, the older you are when your gift

annuity begins, the higher your rate of payment.

Q. Does that mean my payments change from year to year?

A. No, your rate of payment on a particular gift annuity agreement is set when your annuity begins. But if you fund additional gift annuities—as many of Millsaps' supporters do—the rate generally will be higher for annuities in subsequent years.

Q. What if I outlive my life expectancy?

A. The gift annuity agreement requires that payments will be made for as long as a recipient lives.

Q. Are the payments affected by interest rates or economic fluctuations?

A. No. Payments for a particular annuity are never lowered or raised, regardless of changes in interest rates or the national economy.

Q. Exactly how can I benefit another person through a gift annuity?

A. You can designate a loved one to receive the payments either with you, instead of you, or only following your death. This can result in a double gift—one to Millsaps and another to a relative or special friend.

Q. Can I give stocks, bonds, or other securities rather than cash to fund a gift annuity?

A. Yes. If you give a low-yielding asset to fund a gift annuity, you may be able to increase your spendable income, because a gift annuity may pay more and your payments can be taxed more favorably than other income. There can be additional tax benefits if the securities have increased in value because you avoid the tax on a portion of the capital gain in the property.

Q. Will a gift annuity be part of my taxable estate?

A. Not generally. If payments are made to you only, the gift portion is devoted to enhancing educational opportunities at Millsaps, thus avoiding estate taxes and probate costs. Some gift or estate tax may be due if payments are made to a person other than a spouse.

Q. How can I set up a gift annuity?

A. A gift annuity can be established with a minimum of effort. Contact Dudley Marble at (601) 974-1026 for an illustration of benefits for the persons you would wish to receive payments.

“Giving away money and retaining a life income from it sounds too good to be true, but that’s how charitable gift annuities work.”

-Judge William Bizzell ('39) (see page 1 for his story)

This Gift Gives Back

What if there were a way to arrange for a dependable supplemental income that would continue for as long as you live? What if this same plan freed you from worries about outliving your resources, fluctuating interest rates, and the performance of your investments?

And what if there were a way to do this while making a meaningful gift to Millsaps?

Believe it or not, there is such a plan. For many years, charitable gift annuities have offered a way to supplement your income, reduce gift, estate, and income taxes, and make significant gifts.

How do gift annuities work?

Under the terms of a gift annuity, you make a gift of cash or other property through a simple agreement which provides you with regular payments that never decrease in size or frequency, regardless of changes in the economy. See the chart at right for examples of rates you can receive. Payments to you are

backed by Millsaps' available resources.

Gift annuities offer other benefits, too:

- A federal income tax deduction is available for a portion of your gift.
- Part of each payment is free from federal income tax for a designated period of time.
- You may enjoy capital gains tax savings.
- Estate taxes generally will not be due on amounts used to fund your annuity.
- Payments can also benefit loved ones and friends, if you wish.

Complement existing plans

The benefits from charitable gift annuities have proved to be excellent additions to the long-range financial plans of people from all walks of life. Call us for more information without obligation.

Gift Annuity Payment Rates

Gift Annuity Payment Rates			
<i>Selected Rates for One Person</i>		<i>Selected Rates for Two Persons of the Same Age</i>	
Age	Rate	Ages	Rate
90+	10.5%	90/90	8.7%
85	8.9	85/85	7.4
80	7.6	80/80	6.6
75	6.7	75/75	6.0
70	6.1	70/70	5.6
65	5.7	65/65	5.4
60	5.5	60/60	5.2

*For illustrative purposes only.
Please write for current benefits
and rates for other ages.*

MILLSAPS
COLLEGE

Dudley Marble • Gift and Estate Planning Services
1701 North State St. • Jackson, MS 39210-0001
(voice) 601-974-1026 • (fax) 601-974-1088
Development Office (toll-free) 1-866-974-1031