A WIN-WIN GIFT

By donating his IRA required minimum distribution to UT, Allen “Al” Separk ('69) helped his law school and reduced his income tax liability.

Separk, a tax and fiduciary lawyer in private practice in Marietta, Georgia, is always looking at ways to help people give to the charity of their choice and save tax dollars.

For citizens in their 70s who have individual retirement accounts (IRAs), there is an easy solution to the problem created by the government’s mandate of a required minimum distribution (RMD). Separk, like many of his clients, didn’t need this extra income, so he did what he often advises his clients do—he donated it to his alma mater, the University of Tennessee College of Law.

“I’ve consistently made gifts to the law school over the years, although my gifts were very modest during my first few years following graduation,” Separk says. “UT Law, when I was a student, was very competitive and very challenging, as I am sure it has continued to be. But in those days, only 1 in 3 students received their law degree. I was very proud to be one of those who finished, and I also felt that I was very prepared for the two bar exams that followed.”

Separk grew up in Durham, North Carolina, and majored in business administration at East Carolina University.

“I actually went to law school for the education, as I did not envision myself practicing law,” he recalls. “At UT, I became particularly...continued on Page 2

“I’ve consistently made gifts to the law school over the years, although my gifts were very modest during my first few years following graduation.”

— Al Separk ('69)
interested in tax courses and estates and trusts and related subjects. I also worked part time selling life insurance with Connecticut Mutual and ultimately went to work in their advanced sales department.”

In 1978, Separk established his own law practice focusing on tax, fiduciary, business, corporate, and elder law. He made his first multiyear gift commitment to the College of Law in conjunction with the Tennessee Tomorrow Law Campaign in 1981. He joined the college’s Alumni Council in 1983 and has been a leader in every major fundraising initiative undertaken by the college since then.

During the 1990’s, Separk established two endowments in the College of Law. The W. Allen Separk Faculty Development Endowment supports faculty research and salaries, while the W. Allen Separk Professorship of Law Endowment provides salary support for a faculty member in the college. He is also a member of the College of Law Dean’s Circle. With his 35 years of service on one or both of the college’s advisory boards, he is one of only five law alumni to have earned the distinction of being a “Life Member” of the Dean’s Circle, which he chaired for nine consecutive years and a total of 13 years over two terms. In 2017, he was honored for his lifetime of volunteer service to the College of Law.

“Al exemplifies all that is great about UT College of Law and our alumni,” says Dean Melanie Wilson. “He has selflessly given of his energy and resources for more than four decades. We are incredibly grateful for all his contributions.”

The dedication of UT graduates like Al Separk is admirable. Without their support, we could not fulfill the educational goals of many of our students and faculty. If you would like to learn about giving to UT for the future, please contact the Office of Gift Planning at 865-974-2370 or giftplanning@utk.edu to get started.

2018 GIFT DEADLINES

Mark your calendar with the dates below to ensure the timing of your gift so that it’s eligible for a charitable deduction this year.

1. CASH
   Mail your check by Dec. 31.

2. STOCK
   Complete the entire transfer of securities to us electronically so we receive them by Dec. 31.

3. REAL ESTATE
   Deliver the executed deed by Dec. 31, in most states.

4. TANGIBLE PERSONAL PROPERTY
   Deliver the donated property by Dec. 31.

GET YOUR MUST-HAVE GUIDES

Send for our guide A New Use for Your Retirement Plan Assets, which explains how you can take advantage of planning what happens to your retirement assets. And request 5 Smart Strategies for Year-End Giving to learn how you can best give before year’s end. Simply return the enclosed survey to receive your FREE copies.
Saving for retirement is tough during the ups and downs of today's economy. Most people adopt the same strategy: Stash as much cash as you can today to ensure peace of mind tomorrow.

If you started saving early and you work into your 60s or even 70s, your retirement account is probably one of your largest assets. These kinds of accounts can provide a source of income in retirement. But any funds that are remaining will be heavily taxed if you intend to pass them down to your heirs.

You can avoid some of those tax issues by naming UT Knoxville as a beneficiary and saving other lesser-taxed assets for your heirs.

**TAX TALK**

Retirement plan assets are subject to income taxes when given to family. Federal income taxes alone can reduce the amount your heirs receive by up to 37 percent.

One solution is to name UT Knoxville as the beneficiary of your IRA. As a nonprofit institution, we do not have to pay income taxes on the assets. Instead, we will be able to put 100 percent of your gift toward bettering the university.

And, in most cases, naming us as beneficiary requires notifying your account custodian and the university in writing. **Use the chart below to plan how to better distribute your IRA.**

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**WAYS TO DISTRIBUTE YOUR IRA**

**If you are married**

You can arrange to fully transfer your IRA assets to your spouse and defer any taxes until after his/her death—although any distributions taken by your spouse are income taxable.

**If you are not married**

You can leave your IRA assets to someone else, but the funds will be subject to income taxes at the federal level, which could deplete up to 37 percent of their value.

**If you want to make a charitable gift**

You can designate UT Knoxville as the beneficiary of your IRA assets. The full value of those funds will go to supporting UT students. (Income taxes will not erode the value.)

**If you want to provide for loved ones and make a charitable gift**

You can use your IRA assets to fund a charitable remainder trust after your lifetime. The trust can be set up to make payments to your heirs. After a set period, the trust balance will transfer to the university.

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**TIP:** When making a gift to UT, please remember to designate your gift for UT Knoxville so we can acknowledge your gift and thank you.
BENEFIT MORE FROM YOUR GIVING

The rates for charitable gift annuities—gifts that pay you income for life—are the highest they’ve been in years! You’ll receive more income when you give this type of gift, making this the perfect time to take advantage of this special opportunity. Plus, you’ll feel good knowing you’re making a significant impact on the future of UT.

HOW IT WORKS

With a charitable gift annuity, you make a donation using cash, marketable securities, or other assets, and we, in turn, pay you a fixed amount for life. It’s a great way to supplement your retirement income and feel secure during retirement.

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Beyond increasing your retirement income as you help shape UT Knoxville’s future, gift annuities offer you tax benefits, including a partial income tax charitable deduction now for your gift when you itemize. And part of each payment is income tax–free throughout your estimated life expectancy.

California residents: Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. South Dakota residents: Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.