

American Civil Liberties Union Foundation Charitable Gift Annuity



A Gift Plan That Pays An Annuity For Life



Disclosure Statement
Revised January 1, 2012

TABLE OF CONTENTS

	<u>Page</u>
ACLU FOUNDATION DISCLOSURE STATEMENT.....	1
APPENDICIES	
Appendix A – Sample Gift Annuity Rates – One Life	8
Appendix B – Sample Gift Annuity Rates – Two Life	9
Appendix C – Sample Gift Annuity Agreement One Life – Donor is Annuitant.....	13
Appendix D – Sample Gift Annuity Agreement One Life Deferred – Donor is Annuitant	16
Appendix E – Sample Gift Annuity Agreement One Life – Donor is not the Annuitant.....	19
Appendix F – Sample Gift Annuity Agreement Two Lives – Jointly Owned Property	22
Appendix G – Sample Gift Annuity Agreement Two Lives – Donor is First Annuitant	26



CREATE A LEGACY OF LIBERTY
AMERICAN CIVIL LIBERTIES UNION FOUNDATION

Nearly four generations ago, a handful of Americans who shared a conviction that patriotism required vigilant defense of the Bill of Rights created a legacy of liberty for generations to come. Their legacy is the American Civil Liberties Union, an institution now widely recognized as essential to the defense of liberty in America.

Today, the ACLU still depends upon those relatively few Americans who are willing to stand up for individual rights, and who provide the resources to ensure that our work continues. But our struggle to defend individual rights never ends. No single generation can secure liberty for all persons for all time. Each generation must do its part, in its time, to pass on the Bill of Rights to future generations.

By establishing a charitable gift annuity (“gift annuity”) with the ACLU Foundation, Inc., the ACLU's tax-deductible arm, you can help ensure that constitutional rights will be protected in years to come, nationally and locally. The gift annuity is one of the many plans that make it possible for you to provide long-term financial support for the future of the ACLU Foundation while receiving immediate tax benefits and income for yourself or your beneficiary(ies) for life.

A gift annuity can go a long way in the defense of civil liberties and can be an important part of your effective financial planning. This booklet has been prepared to help you consider how you might benefit from an ACLU Foundation gift annuity.

As with any major financial decision, we recommend that you consult with your financial or other advisor.

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
- ◆ Affords federal (and possibly state) tax benefits to the contributor who establishes the annuity.

A charitable gift annuity pays an annuity to either one or two beneficiaries. The donor of a charitable 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) and the amount of the gift.

Legally, the ACLU Foundation gift annuity is a contract between the contributor and the ACLU Foundation. The basic terms of the contract are:

- ◆ The contributor transfers cash, marketable securities or other property (subject to the terms of the ACLU Foundation Gift Acceptance Policy) to the ACLU Foundation to establish the annuity.
- ◆ The ACLU Foundation promises to pay the annuity at a fixed, guaranteed rate.
- ◆ The annuity may not be assigned to a third party.
- ◆ The annuity is executed in New York and is governed by the laws of the state in which the donor resides at the time that the annuity is established. In the event that laws and regulations for these states differ, the more stringent requirements will be followed.
- ◆ The ages of the annuity beneficiary(ies) are rounded to the nearest whole year(s).

In some instances, the agreement for the gift annuity gives the contributor the ‘right to revoke’ the annuity payable to a second beneficiary—when there is a second beneficiary. This right is usually reserved so that the contributor does not have to report giving an annuity to a second beneficiary as a completed gift for federal tax purposes. Typically, the contributor does not exercise this right, and the second beneficiary receives his or her annuity as intended.

A variation of the gift annuity, called a deferred charitable gift annuity, allows the contributor to defer payments to the beneficiary(ies) for a period of time, which must be at least one year. During the period of deferral, interest is compounded so that once payments begin the rate of return is higher than that offered on a standard annuity at that time. Even though the contributor elects to receive payments at a future date, he/she will receive a current income tax charitable deduction in the year that the gift is made. The longer the payments are deferred, the higher the payment rate will be for the beneficiary and the greater the charitable deduction will be for the contributor.

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

Safety of Gift Annuity Payments:

When considering a charitable gift annuity, many financial advisors recommend asking about the financial strength of the charitable organization. That's especially important because 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 Return of Organization Exempt from Income Tax (IRS Form 990) of the ACLU Foundation, Inc. is available upon request. Updated information may be requested at the time of your gift or at any other time.

The Reserve Fund

The ACLU Foundation's annuity program is regulated by the New York State Insurance Department and by certain other state insurance departments. (The ACLU Foundation is a New York State corporation.)

The regulations of New York and certain other states require the ACLU Foundation to keep a separate reserve fund that is dedicated solely to annuity payments. New York law further requires us to prove every year that the reserve is sufficient to meet all outstanding annuity obligations.

Who Administers The Program?

The ACLU Foundation's annuity fund is invested and managed professionally by State Street Bank and Trust Company in Boston, Massachusetts. State Street Bank is one of the largest managers of charitable gift assets in the country.

Payment Rates:

The American Civil Liberties Union Foundation currently offers gift annuity payment rates recommended by the American Council on Gift Annuities. The rates have been calculated to ensure that the gift annuities provide attractive payments to contributor(s)/beneficiary(ies) and also provide a substantive gift to the organization. A schedule of the current gift annuity payment rates is included in this disclosure statement. Payment rates for the deferred payment gift annuity can be obtained from the ACLU Foundation Office of Gift Planning.

Minimum Requirements:

No more than two individuals may receive payments from each gift annuity contract. Payment may begin no earlier than age 60. The minimum gift accepted to establish a charitable gift annuity is \$5,000.00.

Not a Commercial Investment:

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. The ACLU Foundation gift annuity allows the contributor to claim a federal income tax charitable deduction per IRS regulations (as discussed in the next section). In this respect, the ACLU Foundation Gift Annuity is much different from a commercial annuity.

Tax Benefits and Considerations:

Establishing an ACLU Foundation Gift Annuity possibly can provide you, the contributor, with several tax benefits:

- ◆ A current federal income tax charitable deduction;
- ◆ Partial tax-free payments—the tax-free portion of which is considered a return of principal; and
- ◆ Future estate tax savings.

Your deduction:

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 (the gift portion) is based on the age of the beneficiary(ies) and a specific IRS mid-term interest rate, which changes monthly. The higher the applicable interest rate, the higher your deduction, and vice versa. The IRS requires charities to use a monthly floating “discount rate” when calculating charitable deductions for gifts such as the gift annuity. We are allowed under IRS regulations to use the discount rate for the month of your gift, or to select a rate from the previous two months if doing so will result in a larger deduction for you.

Your federal income tax charitable gift deduction may be claimed up to 50% of your adjusted gross income if you establish your gift annuity with cash and 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.

The tax-free part of your annuity:

If you establish a gift annuity for your own life, a portion of your annuity will be free of federal income tax for a number of years (i.e., for your life expectancy under IRS regulations). This portion represents a return of principal.

Should you die before recovering the total tax-free amount to which you are entitled, the unrecovered amount may be taken as a deduction on your final income tax return. Upon your executor’s request, the ACLU Foundation will provide your estate with a calculation of this amount.

Establishing a gift annuity with appreciated securities:

If you establish an ACLU Foundation gift annuity with appreciated securities, part of your gift annuity payments may be taxed to you as capital gain. In effect, part of the annuity that you would have received as a tax-free return of principal had you used cash to establish your annuity will be replaced by capital gain.

Your reportable gain will be spread over your life expectancy, and the total amount of your reportable gain will be less than the amount you would have had to report if you had sold your stock.

Important note:

If you wish to establish a gift annuity with appreciated securities and wish to name a second annuity beneficiary, it may be advisable to make the annuity payable first to you and secondly to the other beneficiary. If the annuity is payable just to another beneficiary, you will not be able to spread your capital gain over your life expectancy as described above, but will be required to report all of your reportable gain immediately, in a lump sum.

Estate and Gift Tax Considerations:

If you set up a gift annuity for just your own life, the assets you use to establish the annuity will be removed from your estate for federal estate tax purposes.

If you set up a gift annuity that is to make payments to you for life and then to a second beneficiary for life (a successor-beneficiary gift annuity), the value of the second beneficiary's annuity will be included in your estate for federal estate tax purposes. If the second beneficiary is your spouse, however, his or her annuity will qualify for the unlimited estate tax marital deduction.

It is generally a good idea when naming a second, successor beneficiary to reserve the right, exercisable by will, to revoke his or her annuity in order to avoid making a taxable gift to him or her for federal gift tax purposes. We at the ACLU Foundation, or your tax advisor, can provide further details on this point.

If you set up a gift annuity that is to make payments to you and another beneficiary jointly and then make all payments to the survivor (a joint-and-survivor gift annuity), the situation is very much the same from a gift and estate tax standpoint. If the other beneficiary is your spouse, his or her right to receive annuity payments will qualify for both the federal gift and estate tax marital deductions.

If you set up a gift annuity just for another person, you will be deemed to make a gift to the other person for federal gift tax purposes equal to the value of his or her annuity. You may also wish to speak with your tax advisor about the possibility of claiming the \$13,000 annual gift exclusion with respect to the gift to the other person. Under current law, if the other person is your spouse, the annuity will qualify for the unlimited marital deduction.

Conclusion:

This disclosure statement is intended to provide a reasonably full and fair disclosure regarding the American Civil Liberties Union Foundation, Inc.'s gift annuity program. Another part of the full and fair disclosure the ACLU Foundation aims to provide consists of the proposal or gift annuity illustration(s) you have received from the ACLU Foundation.

If you have any questions concerning the ACLU Foundation Gift Annuity, you may call our toll-free number (877) 867-1025. You may also write to the ACLU Foundation Office of Gift Planning at 125 Broad Street, 18th floor, New York, NY 10004, or send an email to DeSilver@aclu.org.

APPENDIX A

Rates effective January 1, 2012

ONE-LIFE GIFT ANNUITIES

Age*	Rate
60	4.4
61	4.4
62	4.5
63	4.5
64	4.6
65	4.7
66	4.8
67	4.8
68	4.9
69	5.0
70	5.1
71	5.3
72	5.4
73	5.5
74	5.7
75	5.8
76	6.0
77	6.2
78	6.4
79	6.6
80	6.8
81	7.0
82	7.2
83	7.4
84	7.6
85	7.8
86	8.0
87	8.2
88	8.4
89	8.7
90+	9.0

*Age rounded to the nearest year.

APPENDIX B

Rates effective January 1, 2012

TWO-LIFE GIFT ANNUITIES

Younger Age	Older Age	Rate		Younger Age	Older Age	Rate
60	60-62	3.9		68	68	4.4
60	63-66	4.0		68	69-71	4.5
60	67-70	4.1		68	72-75	4.6
60	71-95+	4.2		68	76+	4.7
61	61	3.9		69	69-70	4.5
61	62-64	4.0		69	71-73	4.6
61	65-68	4.1		69	74-76	4.7
61	69+	4.2		69	77+	4.8
62	62-63	4.0		70	70-71	4.6
62	64-66	4.1		70	72-74	4.7
62	67-69	4.2		70	75-78	4.8
62	70+	4.3		70	79+	4.9
63	63-64	4.1		71	71-73	4.7
63	65-67	4.2		71	74-75	4.8
63	68+	4.3		71	76-79	4.9
64	64-66	4.2		71	80-82	5.0
64	67-70	4.3		71	83+	5.1
64	71+	4.4		72	72	4.7
65	65	4.2		72	73-74	4.8
65	66-68	4.3		72	75-76	4.9
65	69-72	4.4		72	77-79	5.0
65	73+	4.5		72	80-83	5.1
66	66-67	4.3		72	84+	5.2
66	68-71	4.4		73	73	4.8
66	72-75	4.5		73	74-75	4.9
66	76+	4.6		73	76-77	5.0
67	67-69	4.4		73	78-80	5.1
67	70-73	4.5		73	81-83	5.2
67	74+	4.6		73	84+	5.3

APPENDIX B

Rates effective January 1, 2012

Younger Age	Older Age	Rate		Younger Age	Older Age	Rate
74	74	4.9		78	78	5.4
74	75-76	5.0		78	79	5.5
74	77-78	5.1		78	80-81	5.6
74	79-80	5.2		78	82-83	5.7
74	81-83	5.3		78	84	5.8
74	84-87	5.4		78	85-86	5.9
74	88+	5.5		78	87-89	6.0
75	75	5.0		78	90-92	6.1
75	76-77	5.1		78	93+	6.2
75	78	5.2		79	79-80	5.6
75	79-81	5.3		79	81	5.7
75	82-83	5.4		79	82	5.8
75	84-86	5.5		79	83-84	5.9
75	87+	5.6		79	85-86	6.0
76	76-77	5.2		79	87-88	6.1
76	78-79	5.3		79	89-90	6.2
76	80-81	5.4		79	91-93	6.3
76	82-83	5.5		79	94+	6.4
76	84-85	5.6		80	80	5.7
76	86-88	5.7		80	81	5.8
76	89+	5.8		80	82	5.9
77	77-78	5.3		80	83-84	6.0
77	79	5.4		80	85	6.1
77	80-81	5.5		80	86-87	6.2
77	82-83	5.6		80	88-89	6.3
77	84-85	5.7		80	90-91	6.4
77	86-87	5.8		80	92-93	6.5
77	88-91	5.9		80	94+	6.6
77	92+	6.0		81	81	5.9

APPENDIX B

Rates effective January 1, 2012

Younger Age	Older Age	Rate		Younger Age	Older Age	Rate
81	82	6.0		84	84	6.5
81	83	6.1		84	85	6.6
81	84-85	6.2		84	86	6.7
81	86	6.3		84	87	6.8
81	87-88	6.4		84	88	6.9
81	89	6.5		84	89	7.0
81	90-91	6.6		84	90	7.1
81	92-94	6.7		84	91	7.2
81	95+	6.8		84	92-93	7.3
82	82	6.1		84	94+	7.4
82	83	6.2		85	85	6.7
82	84	6.3		85	86	6.9
82	85-86	6.4		85	87	7.0
82	87	6.5		85	88	7.1
82	88	6.6		85	89	7.2
82	89-90	6.7		85	90	7.3
82	91	6.8		85	91	7.4
82	92-93	6.9		85	92	7.5
82	94+	7.0		85	93+	7.6
83	83	6.3		86	86	7.0
83	84	6.4		86	87	7.1
83	85	6.5		86	88	7.3
83	86	6.6		86	89	7.4
83	87	6.7		86	90	7.5
83	88-89	6.8		86	91	7.6
83	90	6.9		86	92	7.7
83	91	7.0		86	93+	7.8
83	92-93	7.1		87	87	7.3
83	94+	7.2		87	88	7.4

APPENDIX B

Rates effective January 1, 2012

Younger Age	Older Age	Rate		Younger Age	Older Age	Rate
87	89	7.5				
87	90	7.7				
87	91	7.8				
87	92	7.9				
87	93+	8.0				
88	88	7.6				
88	89	7.7				
88	90	7.9				
88	91	8.0				
88	92	8.1				
88	93+	8.2				
89	89	7.9				
89	90	8.0				
89	91	8.2				
89	92	8.3				
89	93+	8.5				
90	90	8.2				
90	91	8.4				
90	92	8.5				
90	93	8.7				
90	94+	8.8				
91	91	8.6				
91	92	8.7				
91	93+	8.8				
92	92+	8.8				
93	93+	8.8				
94	94+	8.8				
95+	95+	8.8				

AMERICAN CIVIL LIBERTIES UNION FOUNDATION, INC.**GIFT ANNUITY AGREEMENT****One Life - Donor is the Annuitant
Immediate Payments**

This Agreement is made between [*name of donor*], of [*street address*], [*city*], [*state*] [*zip code*] (hereinafter "the Donor"), and American Civil Liberties Union Foundation, Inc., of 125 Broad Street, 18th Floor, New York, New York 10004 (hereinafter "ACLU Foundation").

1. Transfer of Property by Donor

ACLU Foundation certifies that the Donor, as an evidence of [*his/her*] desire to support the work of ACLU Foundation and to make a charitable gift, on [*contribution date - month, day, year*] contributed to ACLU Foundation [*cash in the amount of \$_____*] or [*the negotiable securities described in Schedule A, attached hereto, the fair market value of which is \$_____*].

2. Payment of Annuity

In consideration of the property transferred by the Donor, ACLU Foundation shall pay an annual annuity of \$_____ from the date of this Agreement and shall pay such amount to the Donor so long as [*he/she*] is living.

3. Payment Dates; First Installment

The annuity shall be paid in [*monthly, quarterly, semi-annual, annual*] installments of \$_____. The first installment shall be payable on [*month, day, year*], and shall be prorated on the basis of the number of days in the initial payment period. Subsequent installments beginning on [*month, day, year*] and continuing every [*month, quarter, half-year, year*] thereafter shall be in the full amount of \$_____. [*If the contribution is received on the first day of the period or if the first payment will be for the full amount in any case, delete the reference to proration and subsequent installments.*]

4. Birth Date of Annuitant

The Donor's date of birth is [*month, day, year*].

5. Payment Correction

If the stated birth date of the Donor should be found to be incorrect, the amount payable or benefit accruing under this Agreement, at any time, shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Donor, and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Donor.

6. Irrevocability; Non-assignability; Termination

This annuity is irrevocable and non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under this Agreement shall terminate with the regular payment preceding the Donor's death.

APPENDIX C

7. Uses and Purposes of Gift

Upon ACLU Foundation’s satisfaction of its obligation under this Agreement, an amount equal to the residuum of the gift shall be used by ACLU Foundation for [*its general purposes” if unrestricted; if restricted, state purpose*].

8. Entire Agreement; Governing Law

This Agreement and Schedule A attached hereto constitute the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

[ALTERNATE PARAGRAPH 8, IF CASH CONTRIBUTION (NO SCHEDULE A)]

This Agreement constitutes the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

This Agreement is effective as of [*contribution date - month, day, year*].

DONOR:

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION, INC.:

By:

[Name and title of officer]

ATTEST

By: _____

DRAFT

APPENDIX C

**Gift Annuity Agreement Between
[Name of Donor] and
American Civil Liberties Union Foundation, Inc.**

SCHEDULE A

Description of Property

AMERICAN CIVIL LIBERTIES UNION FOUNDATION, INC.**GIFT ANNUITY AGREEMENT****One Life - Donor is the Annuitant
Payments are Deferred**

This Agreement is made between [*name of donor*], of [*street address*], [*city*], [*state*] [*zip code*] (hereinafter "the Donor"), and American Civil Liberties Union Foundation, Inc., of 125 Broad Street, 18th Floor, New York, New York 10004 (hereinafter "ACLU Foundation").

1. Transfer of Property by Donor

ACLU Foundation certifies that the Donor, as an evidence of [*his/her*] desire to support the work of ACLU Foundation and to make a charitable gift, on [*contribution date - month, day, year*] contributed to ACLU Foundation [*cash in the amount of \$_____*] or [*the negotiable securities described in Schedule A, attached hereto, the fair market value of which is \$_____*].

2. Payment of Annuity

In consideration of the property transferred by the Donor, ACLU Foundation shall pay to the Donor an annual annuity of \$_____, commencing [*date of first payment*] and continuing for the rest of [*his/her*] life. If the Donor dies before [*date of first payment*], ACLU Foundation is released from all obligations under this Agreement.

3. Payment Dates; First Installment

The annuity shall be paid in [*monthly, quarterly, semi-annual, annual*] installments of \$_____ at the end of the period. The first installment shall be payable on [*date of first payment*].

4. Birth Date of Annuitant

The Donor's date of birth is [*month, day, year*].

5. Payment Correction

If the stated birth date of the Donor should be found to be incorrect, the amount payable or benefit accruing under this Agreement, at any time, shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Donor, and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Donor.

6. Irrevocability; Non-assignability; Termination

This annuity is irrevocable and non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under this Agreement shall terminate with the regular payment preceding the Donor's death.

7. Uses and Purposes of Gift

APPENDIX D

Upon ACLU Foundation’s satisfaction of its obligation under this Agreement, an amount equal to the residuum of the gift shall be used by ACLU Foundation for [*its general purposes” if unrestricted; if restricted, state purpose*].

8. Entire Agreement; Governing Law

This Agreement and Schedule A attached hereto constitute the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

[ALTERNATE PARAGRAPH 8, IF CASH CONTRIBUTION (NO SCHEDULE A)]

This Agreement constitutes the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

This Agreement is effective as of [*contribution date - month, day, year*].

DONOR:

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION, INC.:

By:

[Name and title of officer]

ATTEST

By: _____

DRAFT

APPENDIX D

**Gift Annuity Agreement Between
[Name of Donor] and
American Civil Liberties Union Foundation, Inc.**

SCHEDULE A

Description of Property

AMERICAN CIVIL LIBERTIES UNION FOUNDATION, INC.**GIFT ANNUITY AGREEMENT****One Life - Donor is Not the Annuitant
Immediate Payments**

This Agreement is made between [*name of donor*], of [*street address*], [*city*], [*state*] [*zip code*] (hereinafter "the Donor"), and American Civil Liberties Union Foundation, Inc., of 125 Broad Street, 18th Floor, New York, New York 10004 (hereinafter "ACLU Foundation").

1. Transfer of Property by Donor

ACLU Foundation certifies that the Donor, as an evidence of [*his/her*] desire to support the work of ACLU Foundation and to make a charitable gift, on [*contribution date - month, day, year*] contributed to ACLU Foundation [*cash in the amount of \$_____*] or [*the negotiable securities described in Schedule A, attached hereto, the fair market value of which is \$_____*].

2. Payment of Annuity

In consideration of the property transferred by the Donor, ACLU Foundation shall pay an annual annuity of \$_____ from the date of this Agreement and shall pay such amount to [*name of annuitant*] of [*street address*], [*city*], [*state*] (hereinafter "the Annuitant") so long as [*he/she*] is living.

3. Payment Dates; First Installment

The annuity shall be paid in [*monthly, quarterly, semi-annual, annual*] installments of \$_____. The first installment shall be payable on [*month, day, year*], and shall be prorated on the basis of the number of days in the initial payment period. Subsequent installments beginning on [*month, day, year*] and continuing every [*month, quarter, half-year, year*] thereafter shall be in the full amount of \$_____. [*If the contribution is received on the first day of the period or if the first payment will be for the full amount in any case, delete the reference to proration and subsequent installments.*]

4. Birth Date of Annuitant

The Annuitant's date of birth is [*month, day, year*].

5. Payment Correction

If the stated birth date of the Annuitant should be found to be incorrect, the amount payable or benefit accruing under this Agreement, at any time, shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Annuitant, and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Annuitant.

6. Irrevocability; Non-assignability; Termination

Except as provided in Paragraph 7, this annuity is irrevocable. This annuity is also non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under

APPENDIX E

this Agreement shall terminate with the regular payment preceding the Annuitant’s death, unless the Donor has exercised the right to revoke payments to the Annuitant per Paragraph 7 below.

[ALTERNATE PARAGRAPH 6, IF POWER TO REVOKE PARAGRAPH IS DELETED:]

This annuity is irrevocable and non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation’s obligation under this Agreement shall terminate with the regular payment preceding the Annuitant’s death.

7. Power to Revoke Payments

Notwithstanding any of the foregoing sections, the Donor hereby reserves the power to revoke the right of the Annuitant to receive payments from ACLU Foundation pursuant to this agreement. This power is exercisable by the Donor at death in [his/her] will. If the power is exercised, ACLU Foundation’s obligation to make annuity payments shall terminate with the payment preceding the death of the Donor.

[OPTION - DONOR MAY ELECT TO DELETE THIS REVOCATION PARAGRAPH. IF SO, RENUMBER SUCCESSIVE PARAGRAPHS.]

8. Uses and Purposes of Gift

Upon ACLU Foundation’s satisfaction of its obligation under this Agreement, an amount equal to the residuum of the gift shall be used by ACLU Foundation for[“its general purposes” if unrestricted; if restricted, state purpose].

9. Entire Agreement; Governing Law

This Agreement and Schedule A attached hereto constitute the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

[ALTERNATE PARAGRAPH 9, IF CASH CONTRIBUTION (NO SCHEDULE A)]

This Agreement constitutes the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

This Agreement is effective as of [contribution date - month, day, year].

DONOR:

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION, INC.:

By: _____
[Name and title of officer]

ATTEST

By: _____

DRAFT

APPENDIX E

**Gift Annuity Agreement Between
[Name of Donor] and
American Civil Liberties Union Foundation, Inc.**

SCHEDULE A

Description of Property

AMERICAN CIVIL LIBERTIES UNION FOUNDATION, INC.**GIFT ANNUITY AGREEMENT****Two Lives, Joint and Survivor,
Funded with Jointly-Owned Property
Immediate Payments**

This Agreement is made between [*name of first donor*] and [*name of second donor*], of [*street address*], [*city*], [*state*] [*zip code*] (hereinafter "the Donors"), and American Civil Liberties Union Foundation, Inc., of 125 Broad Street, 18th Floor, New York, New York 10004 (hereinafter "ACLU Foundation").

1. Transfer of Property by Donors

ACLU Foundation certifies that the Donors, as an evidence of their desire to support the work of ACLU Foundation and to make a charitable gift, on [*contribution date - month, day, year*] contributed to ACLU Foundation [*cash in the amount of \$_____*] or [*the negotiable securities described in Schedule A, attached hereto, the fair market value of which is \$_____*].

2. Payment of Annuity

In consideration of the property transferred by the Donors, ACLU Foundation shall pay to the Donors during their joint lives, and then to the survivor during his or her life, an annual annuity of \$_____ from the date of this Agreement.

3. Payment Dates; First Installment

The annuity shall be paid in [*monthly, quarterly, semi-annual, annual*] installments of \$_____. The first installment shall be payable on [*month, day and year*], and shall be prorated on the basis of the number of days remaining in that [*month, quarter, half-year, year*]. Subsequent installments beginning on [*month, day, year*] and continuing every [*month, quarter, half-year, year*] thereafter shall be in the full amount of \$_____. [*If the contribution is received on the first day of the period or if the first payment will be for the full amount in any case, delete the reference to proration and subsequent installments.*]

4. Birth Dates of Donors

The birth date of [*name of first donor*] is [*month, day, year*]. The birth date of [*name of second donor*] is [*month, day, year*].

5. Payment Correction

If the stated birth date of either of the Donors should be found to be incorrect, the amount payable or benefit accruing under this Agreement, at any time, shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Donor(s), and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Donor(s).

6. Irrevocability; Non-assignability; Termination

Except as provided in Paragraph 7, this annuity is irrevocable. This annuity is also non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under

APPENDIX F

this Agreement shall terminate with the regular payment preceding the death of the survivor of the Donors. With respect to the first of the Donors to die, the obligation to pay such Donor any share of the annuity shall terminate with the regular payment preceding the death of such Donor, and all following payments shall be payable to the survivor of the Donors, during such surviving Donor's lifetime.

[ALTERNATE PARAGRAPH 6, IF POWER TO REVOKE PARAGRAPH IS DELETED:]

This annuity is irrevocable and non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under this Agreement shall terminate with the regular payment preceding the death of the survivor of the Donors. With respect to the first of the Donors to die, the obligation to pay such Donor any share of the annuity shall terminate with the regular payment preceding the death of such Donor, and all following payments shall be payable to the survivor of the Donors, during such surviving Donor's lifetime.

7. Power to Revoke Payments

a. Notwithstanding any of the foregoing sections, *[Name of first donor]* reserves the power to revoke the survivorship annuity payments for *[name of second donor]* attributable to *[his/her – corresponding to first donor]* one-half interest in the joint property transferred under this Agreement. This power is exercisable by *[name of first donor]* at death in *[his/her]* will. If the power is exercised, ACLU Foundation's obligation to make the annuity payments attributable to the one-half interest of *[name of first donor]* in the joint property shall terminate with the payment preceding *[his/her – first donor]* death and *[name of second donor]* shall receive an annual annuity of *[\$[one-half of the amount stated in paragraph 2]* in equal *[monthly, quarterly, semi-annual, annual]* installments.

b. Notwithstanding any of the foregoing sections, *[Name of second donor]* reserves the power to revoke the survivorship annuity payments for *[name of first donor]* attributable to *[his/her – corresponding to second donor]* one-half interest in the joint property transferred under this Agreement. This power is exercisable by *[name of second donor]* at death in *[his/her]* will. If the power is exercised, ACLU Foundation's obligation to make the annuity payments attributable to the one-half interest of *[name of second donor]* in the joint property shall terminate with the payment preceding *[his/her – second donor]* death and *[name of first donor]* shall receive an annual annuity of *[\$[one-half of the amount stated in Paragraph 2]* in equal *[monthly, quarterly, semi-annual, annual]* installments.

[OPTION - DONORS MAY ELECT TO DELETE THIS REVOCATION PARAGRAPH. IF SO, RENUMBER SUCCESSIVE PARAGRAPHS.]

8. Uses and Purposes of Gift

Upon ACLU Foundation's satisfaction of its obligation under this Agreement, an amount equal to the residuum of the gift shall be used by ACLU Foundation for *["its general purposes" if unrestricted; if restricted, state purpose]*.

9. Entire Agreement; Governing Law

This Agreement and Schedule A attached hereto constitute the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

[ALTERNATE PARAGRAPH 9, IF CASH CONTRIBUTION (NO SCHEDULE A)]

This Agreement constitutes the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

DRAFT

APPENDIX F

This Agreement is effective as of [*contribution date - month, day, year*].

DONORS:

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION, INC.:

By:

[*Name and title of officer*]

ATTEST

By: _____

DRAFT

APPENDIX F

**Gift Annuity Agreement Between
[*Names of Donors*] and
American Civil Liberties Union Foundation, Inc.**

SCHEDULE A

Description of Property

AMERICAN CIVIL LIBERTIES UNION FOUNDATION, INC.**GIFT ANNUITY AGREEMENT****Two Lives, Successive Interests
Donor is the First Annuitant
Immediate Payments**

This Agreement is made between [*name of donor*], of [*street address*], [*city*], [*state*] [*zip code*] (hereinafter "the Donor"), and American Civil Liberties Union Foundation, Inc., of 125 Broad Street, 18th Floor, New York, New York 10004 (hereinafter "ACLU Foundation").

1. Transfer of Property by Donor

ACLU Foundation certifies that the Donor, as an evidence of [*his/her*] desire to support the work of ACLU Foundation and to make a charitable gift, on [*contribution date - month, day, year*] contributed to ACLU Foundation [*cash in the amount of \$_____*] or [*the negotiable securities described in Schedule A, attached hereto, the fair market value of which is \$_____*].

2. Payment of Annuity

In consideration of the property transferred by the Donor, ACLU Foundation shall pay an annual annuity of \$_____ from the date of this Agreement and shall pay such amount to the Donor so long as [*he/she*] is living, and thereafter to [*name of successor annuitant*], of [*street address*], [*city*], [*state*] [*zip code*] continuing for the balance of [*his/her*] life.

3. Payment Dates; First Installment

The annuity shall be paid in [*monthly, quarterly, semi-annual, annual*] installments of \$_____. The first installment shall be payable on [*month, day and year*], and shall be prorated on the basis of the number of days in the initial payment period. Subsequent installments beginning on [*month, day, year*] and continuing every [*month, quarter, half-year, year*] thereafter shall be in the full amount of \$_____. [*If the contribution is received on the first day of the period or if the first payment will be for the full amount in any case, delete the reference to proration and subsequent installments.*]

4. Birth Dates of Annuitants

The birth date of the Donor is [*month, day, year*]. The birth date of [*name of successor annuitant*] is [*month, day, year*].

5. Payment Correction

If the stated birth date of either the Donor or [*name of successor annuitant*] should be found to be incorrect, the amount payable or benefit accruing under this Agreement, at any time, shall be such as would have been provided according to the correct birth date. If any underpayment or overpayment has been made on account of such misstatement, any such underpayment shall promptly be paid to the Donor or [*name of successor annuitant*], and any such overpayment shall be charged against the current and/or next succeeding payment(s) to the Donor or [*name of successor annuitant*].

6. Irrevocability; Non-assignability; Termination

Except as provided in Paragraph 7, this annuity is irrevocable. This annuity is also non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation's obligation under

APPENDIX G

this Agreement shall terminate with the regular payment preceding the death of the survivor of the Donor and [name of successor annuitant], unless the Donor has exercised the right to revoke survivorship payments to [name of successor annuitant] per Paragraph 7 below. The obligation to pay the Donor any share of the annuity shall terminate with the regular payment preceding [his/her] death. If [name of successor annuitant] survives the Donor, and the Donor has not revoked [his/her] survivorship payments, all following payments shall be payable to [name of successor annuitant].

[ALTERNATE PARAGRAPH 6, IF POWER TO REVOKE PARAGRAPH IS DELETED:]

This annuity is irrevocable and non-assignable, except that it may be assigned to ACLU Foundation. ACLU Foundation’s obligation under this Agreement shall terminate with the regular payment preceding the death of the survivor of the Donor and [name of successor annuitant]. The obligation to pay the Donor any share of the annuity shall terminate with the regular payment preceding [his/her] death. If [name of successor annuitant] survives the Donor, all following payments shall be payable to [name of successor annuitant].

7. Power to Revoke Payments

Notwithstanding any of the foregoing sections, the Donor hereby reserves the power to revoke the right of [name of successor annuitant] to receive payments from ACLU Foundation pursuant to this Agreement. This power is exercisable by the Donor at death in [his/her] will. If the power is exercised, ACLU Foundation’s obligation to make annuity payments shall terminate with the payment preceding the death of the Donor.

[OPTION - DONOR MAY ELECT TO DELETE THIS REVOCATION PARAGRAPH. IF SO, RENUMBER SUCCESSIVE PARAGRAPHS.]

8. Uses and Purposes of Gift

Upon ACLU Foundation’s satisfaction of its obligation under this Agreement, an amount equal to the residuum of the gift shall be used by ACLU Foundation for [“its general purposes” if unrestricted; if restricted, state purpose].

9. Entire Agreement; Governing Law

This Agreement and Schedule A attached hereto constitute the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

[ALTERNATE PARAGRAPH 9, IF CASH CONTRIBUTION (NO SCHEDULE A)]

This Agreement constitutes the entire agreement of the parties. This Agreement shall be governed by the laws of the State of New York.

This Agreement is effective as of [contribution date - month, day, year].

DONOR:

AMERICAN CIVIL LIBERTIES UNION
FOUNDATION, INC.:

By:

[Name and title of officer]

ATTEST

By: _____

DRAFT

APPENDIX G

**Gift Annuity Agreement Between
[Name of Donor] and
American Civil Liberties Union Foundation, Inc.**

SCHEDULE A

Description of Property

ACLU Foundation
Office of Gift Planning
125 Broad Street, 18th Floor
New York, New York 10004-2400

Toll-free: (877) 867-1025
DeSilver@aclu.org