

Contribution Procedures

ANNUITY CONTRACTS

1. **Trust Document Executed**-- Make certain the trust document has been executed and the Trustee has accepted his/her office.
2. **Transfer of Ownership Form Completed**-- The Trustee should complete a Change of Ownership form provided by the annuity company. The owner and beneficiary of the annuity should be in the name of the trust. The annuitant would remain unchanged. Gift Administration Services, Inc. (Gift Administration) *must* be the address of record on the account. A sample follows:

Trustee (or IST)
John & Mary Doe CRT U/A 01/01/00
c/o Gift Administration Services, Inc.
6100 W. 96th St., Suite 100
Indianapolis, IN 46278

The Tax ID Number of the trust should be entered on the form as requested. Do not use the social security number of a donor or trustee under any circumstances. Gift Administration should receive a photocopy of the *Change of Ownership Form* including the name and address of the annuity company and the contract number.

If an annuity company will not allow a change of ownership to be done without a Tax ID Number, Gift Administration will apply for one upon receipt of a faxed copy of the front page and all signature pages of the trust document, evidence of funding, an IRS Form 2848 and SS-4 signed by the trustee(s) and social security number(s) of the Grantor(s). The attorney can also apply for the Tax ID Number. If this is the case, Gift Administration will require a copy of the SS-4 Form.

3. **Cost Basis Certification**-- The date of contribution is when the annuity is unconditionally transferred to the trustee. The cost basis will depend on the original purchase date of the annuity and may be either the face value or fair market value. (See #4 below.) For purposes of the charitable deduction, a valuation letter from the annuity company or independent special trustee must be attached.
4. **Donor's Tax Consequences**-- If the donor makes a contribution of an annuity that was issued *before* 4-22-87, the appreciation in value may be required to be recognized by the donor in the year the trust sells the annuity. If the donor makes a contribution of an annuity that was issued *after* 4-23-87, the donor may be required to recognize the income in the same year it is gifted to the trust. For more information see IRC §72(e)(4)(C).

These procedures are intended for informational purposes only and should not be construed as legal or tax advice. For more information on these procedures, please contact legal counsel or an appropriate tax advisor.