

# National Gallery of Art



Planned Giving



The National Gallery of Art serves the nation by welcoming all people to explore and experience art, creativity, and our shared humanity.

Making a planned gift to the National Gallery is a generous demonstration of your support for the museum and may also help you and your family achieve your financial and estate planning goals.



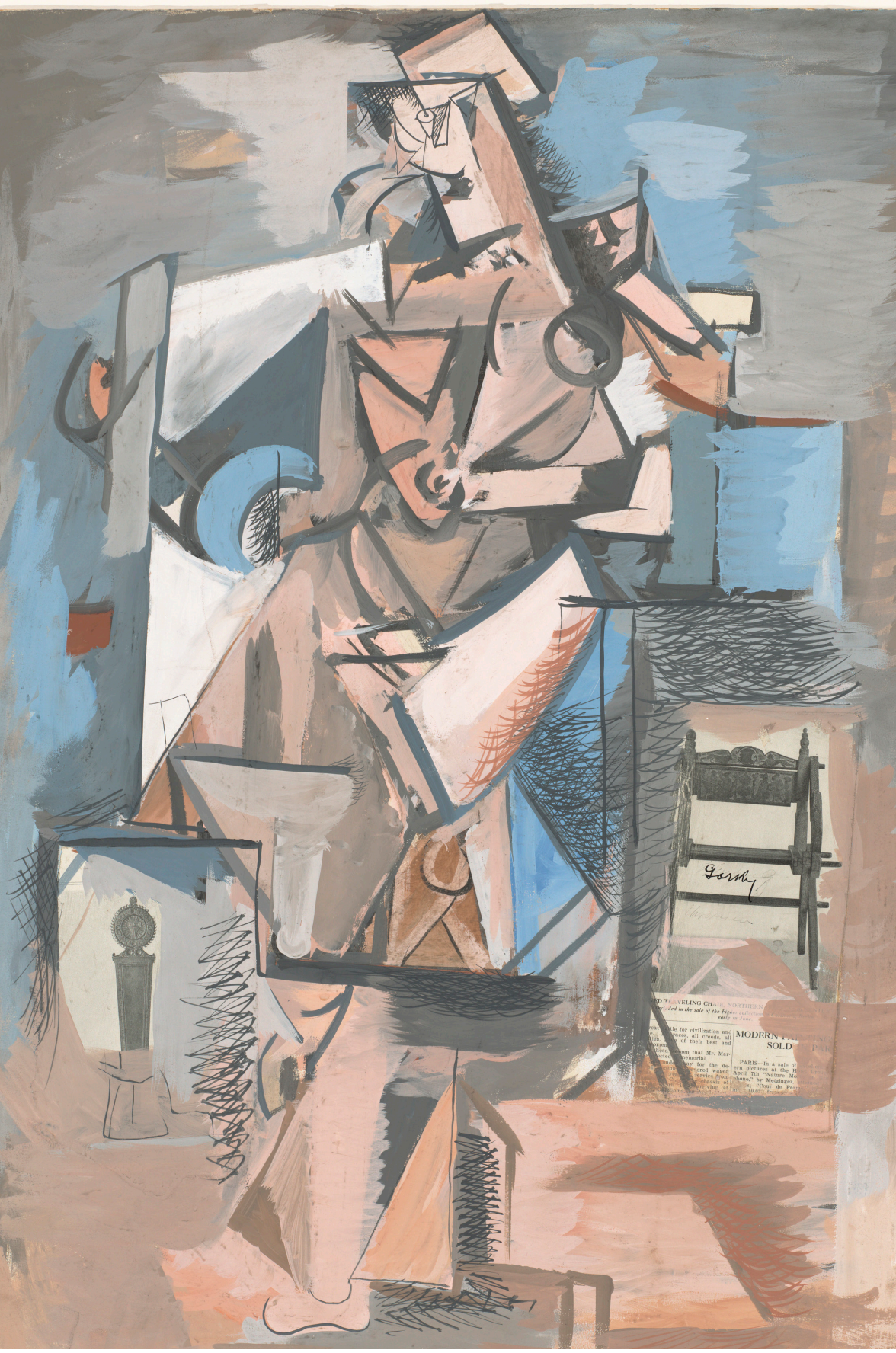
## Ways to Make a Planned Gift

1. Bequest in Your Will or Revocable Trust Indenture
2. Life Income Plans
3. Charitable Lead Trusts
4. Retirement and Pension Plans
5. Other Assets

Please contact the development office at 202.842.6372 or email [plannedgiving@nga.gov](mailto:plannedgiving@nga.gov) for questions about any of these gift options. Given the complexity of the rules relating to tax planning and charitable deductions, we recommend that you consult an attorney or financial adviser as you consider making a planned gift. The National Gallery of Art is unable to give you any legal advice, including tax advice, but we would be pleased to work with you and your advisers to discuss a planned gift that meets your charitable goals. The National Gallery of Art is a 501(c)(3) organization, and donations are tax-deductible to the extent permitted by law.

### Benefits of making a planned gift

- Showing your support for the National Gallery while retaining control of your assets during your lifetime
- Receiving an income tax charitable deduction for the full, fair-market value of your gift of appreciated securities and avoiding capital gains tax on the sale of such assets
- Providing an income source for life in return for your gift
- Reducing tax consequences of unused retirement savings
- Receiving an income tax deduction or, if the gift is made as a bequest, an estate tax deduction
- Reducing your taxable estate (assets contributed to the National Gallery during your lifetime or at death will not be included in, or will be deductible from, your estate for estate tax purposes)



## 1. Bequest in Your Will or Revocable Trust Indenture

A bequest is often the simplest way to make a meaningful gift to the National Gallery. A bequest is a testamentary gift made under your will or revocable trust indenture. In addition to cash, you can give marketable securities and art. A bequest allows you to retain control of your assets during your lifetime, should you need them in the future. There are three ways to structure a bequest so that your gift benefits both you and the museum:

**1. To make an outright bequest**, you may specify a monetary amount, share of your estate, or work(s) of art that you wish to give to the National Gallery. A bequest of money or a share of your estate may be designated for a general or particular purpose.

**2. To make a residuary bequest**, you may designate a percentage or all of the remainder of your estate to go to the National Gallery after all specific bequests, debts, taxes, estate expenses, and other obligations have been paid.

**3. To make a contingent bequest**, you may specify conditions under which a portion of your estate will come to the National Gallery. For example, if the original beneficiary (or beneficiaries, as the case may be) is unable to accept the bequest, the National Gallery may be designated as a contingent beneficiary.

### How to make a bequest

Bequests to the National Gallery for general use permit the museum to use your gift where it is most needed at the time. Should you prefer to support something more specific, we can work with you to identify an area of our mission that means the most to you.

We suggest that you discuss your plans with the development office, especially if you are considering giving a work of art or designating a specific purpose for a bequest in your will. Please note that all gifts of works of art must be reviewed by, and are subject to acceptance by a vote of, the Board of Trustees.

If you do specify a use for your bequest, we suggest that you include the following language to ensure that your gift will always remain productive:

*If at any time in the judgment of the Trustees of the National Gallery of Art the designated use of this bequest is no longer practicable or appropriate, then such Trustees in their discretion shall use the bequest to further the general purposes of the National Gallery of Art, giving consideration, where possible, to my special interests as described above. ■*

### Potential tax benefits

Assets left to the National Gallery are removed from the taxable estate, potentially reducing any estate taxes that may be owed.



## 2. Life Income Plans

Another way to potentially provide for your own financial needs while making a substantial gift is to enter into one of several types of life income plans. An irrevocable gift to the National Gallery may be set up to provide an income stream for life (or for a set term of years). Any remaining principal will go directly to the museum to use for its general purposes or for the use that you specify. The primary life income instruments utilized for charitable giving include charitable gift annuities, charitable remainder trusts, and charitable lead trusts.

### Charitable gift annuities

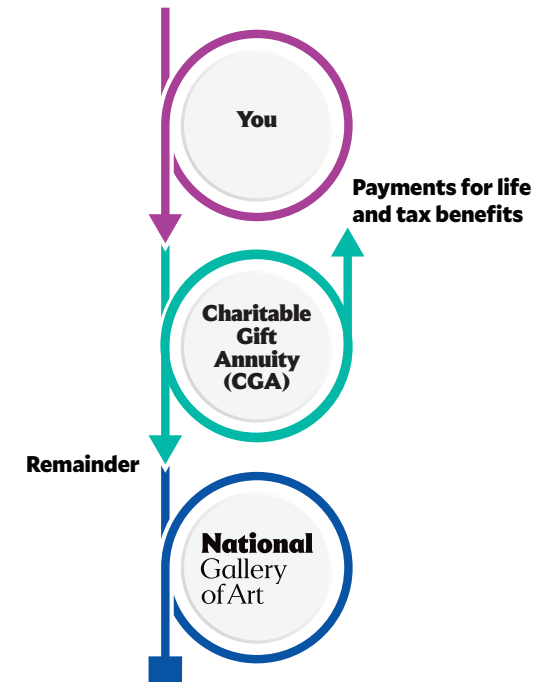
A charitable gift annuity (CGA) is a simple contract or agreement between you and the National Gallery. You will receive an annuity (regular fixed payments each year for life) from the museum in exchange for your irrevocable gift. At the end of the annuity term, the remainder of your gift will support the National Gallery.

Gifts can be made with cash or marketable securities. The minimum gift is \$10,000. Donors who establish a CGA must be at least sixty years old. Annuity rates are determined based on the age of the annuitant. The older the annuitant, the higher the gift annuity rate. Gift annuity rates are determined by the American Council on Gift Annuities. Income payments may be paid to one or two annuitants. ■

### Potential tax benefits

- An immediate income tax charitable deduction is available for the portion of the gift's principal remaining after subtracting the value of the income payments made to the annuitant.
- Capital gains tax may also be avoided where a CGA is funded with appreciated securities.
- A portion of the annuity payment will not be subject to income tax.

### How it works



## Deferred gift annuities

A deferred gift annuity is similar to a CGA, except payments to the annuitant(s) do not begin until a specified future date chosen by the donor, which must be more than one year after the date of the gift. Since payments are deferred, these gift annuities may provide a higher annuity rate and a higher income tax charitable deduction in the year the gift is made than a CGA. A deferred gift annuity can be an attractive source of retirement income.

## Charitable remainder trusts

A charitable remainder trust offers the opportunity to retain an income stream for you and/or your designated beneficiary while also supporting the National Gallery. Charitable remainder trusts are established with an initial, irrevocable contribution of cash, securities, or other property. The trust provides a fixed or variable income stream to you and/or another beneficiary for life or a set term of years (not to exceed twenty). At the end of the term, the trust's remaining assets pass directly to the National Gallery to use for its general purposes or for the use that you specify.

As an individually managed trust, a charitable remainder trust can be used to suit your personal objectives. You can select the trust's beneficiaries and trustees, build a retirement account, generate higher income from assets you currently own, or provide for family members or other beneficiaries. A charitable remainder trust

may also be tailored to meet your financial goals with respect to the payout rate, the type of income stream (variable or fixed), and the payment schedule.

There are two types of charitable remainder trusts.

A charitable remainder unitrust pays income annually as a variable dollar amount based on a specified percentage of the market value of the trust's assets, as determined each year (at least 5 percent and not more than 50 percent of the initial principal). The unitrust may be augmented by additional contributions.

A charitable remainder annuity trust pays income annually as a fixed dollar amount based on the initial valuation of the trust principal (at least 5 percent and not more than 50 percent of the initial principal). Unlike the charitable remainder unitrust, the charitable remainder annuity trust does not permit additional contributions. ■

### Potential tax benefits

- An immediate income tax charitable deduction is available for an amount equal to the present value of what the National Gallery will receive when the trust terminates.
- Contributing appreciated securities to a charitable remainder trust may also allow for a charitable deduction and deferral of capital gains tax.

## A Special Partnership

James "Jim" Johnson has been involved with the National Gallery for more than four decades as a dedicated member of the Circle and Legacy Circle, an art donor, and a contributor to art acquisition funds, beginning with a gift to the museum in 1985 for the Patrons' Permanent Fund. In 2019 he established a CGA through the donation of long-held mutual funds, and has made additional CGAs since, with the goal of providing a permanent endowment fund for the acquisition of old master prints and drawings. Jim will receive fixed annuity payments for life, while providing for the future growth of the National Gallery's collections. Jim's CGAs are a generous complement to the other ways in which he has included the National Gallery in his testamentary plans. We are so grateful to Jim for his enduring commitment to strengthening our collection!



### Here's what Jim has to say:

*By using my mutual fund investments to set up CGAs with the National Gallery, I can be sure of a dependable income during my life while knowing I'll also be supporting the future growth of the National Gallery's old master prints and drawings collection. While I believe the National Gallery should be, and is, at the forefront of the museum community with its exhibitions and educational programs, it is equally important to me that it keeps pace with its peers in the area of funding for art acquisitions. I hope my CGAs and other planned gifts will help strengthen the National Gallery's collections by adding interesting and beautiful works of art for years to come.*



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### 3. Charitable Lead Trusts

A charitable lead trust is the reverse of a charitable remainder trust: the gift to the National Gallery is the income stream from the trust, and you or your beneficiaries receive the remainder.

A charitable lead trust is created by transferring property, such as cash, securities, privately held stock, real estate, or limited partnership interests, to a trust. A charitable lead trust can be funded during your lifetime or under a will. During the term of the trust, which is often a specified number of years, the trust will pay the National Gallery either a fixed dollar amount or a fixed percentage of the trust principal, revalued annually. At the end of the trust term, the remaining assets are distributed to you or your designated beneficiaries—typically children or grandchildren—either outright or in further trust(s).

The benefit of a charitable lead trust arrangement is that the value of the trust property provides income to the National Gallery first before reverting to you or passing to those you designate, which potentially enables you to pass assets on to your heirs with significantly reduced gift or estate taxes. ■

#### Potential tax benefits

- An immediate income tax charitable deduction becomes available for the present value of the total income stream that the National Gallery will receive during the trust term.
- If the trust term is long enough and the annual payment to the National Gallery is large enough, the tax on the gift to beneficiaries can potentially be eliminated. Please consult your attorney or tax adviser about the applicability of generation-skipping transfer tax if grandchildren are named as beneficiaries.







## 4. Retirement and Pension Plans

Designating the National Gallery as the beneficiary of your retirement plan assets is an easy and flexible way to reduce your federal tax burden while supporting the museum. If retirement plans are left to family members or friends, these assets may be subject to income tax, estate tax, and generation-skipping transfer tax. Because of the potential for multiple layers of taxation, retirement plan assets may be particularly attractive and tax-efficient assets to leave to the National Gallery.

There are two ways to use your retirement plan assets to support the museum.

If you have reached age 70½, you may be able to make an IRA charitable rollover, which allows up to \$100,000 to be transferred annually from your IRA to the National Gallery without having to count the distributions as taxable income. An IRA charitable rollover can count toward satisfying the annual required minimum distribution or can be made even if you have already taken your minimum distribution. You can specify that your retirement funds go directly to the National Gallery as a beneficiary after your death.

You can transfer retirement assets to a deferred giving arrangement, like a trust, that will pay an income stream for life to family members or beneficiaries of your choosing, after which the remaining

assets will pass to the National Gallery. To designate the National Gallery as a beneficiary of all or a specified percentage of your retirement plan assets, you should notify your plan's administrator of your intention, and the administrator can provide you with the necessary paperwork. Please note that for some retirement and pension plans governed by the federal Employee Retirement Income Security Act (ERISA), you may also be required to obtain your spouse's consent to list the National Gallery as a beneficiary. ■

### Potential tax benefits

- Designating the National Gallery as a beneficiary of all or a specified percentage of a retirement plan exempts the portion of the plan payable to the museum from estate tax.
- Because of its status as a tax-exempt organization, the National Gallery will not be required to pay income tax on the distributions.

### **A Lifetime of Service**

Neal Turtell was a beloved staff member at the National Gallery, serving as executive librarian for more than three decades. Neal furthered his legacy here by providing for the museum in his testamentary plans. He did this in two ways: Neal named the National Gallery as the beneficiary of his retirement accounts, providing crucial support for our general operating needs, and Neal also made the National Gallery the primary beneficiary of his estate, establishing an endowment fund for the acquisition of books and journals in the National Gallery of Art Library in lasting memory of Neal and his spouse, Thomas G. Klarner.





## 5. Other Assets

Gifts of other assets to support the National Gallery, including life insurance policies and works of art, can also offer potential benefits as you plan for your future. If you are considering donating these or other types of property or assets, we suggest that you discuss these intentions with the National Gallery before doing so. Certain assets may need to be reviewed and approved by the museum's Gift Acceptance Committee before they can be accepted.

### Life insurance policies

A gift of a new or existing life insurance policy is a wonderful way to make a sizable contribution to the National Gallery while retaining control of other current assets and providing immediate tax savings. To designate the museum as the owner and beneficiary of an existing or new life insurance policy, simply contact your insurance agent and ask for the appropriate forms.

Transferring ownership of an existing life insurance policy to the National Gallery may enable you to claim an income tax charitable deduction for the lesser of your basis in the policy or its fair market value in the year of the gift. For a new life insurance policy that designates the National Gallery as the owner and beneficiary, you may be able to claim the annual premiums as charitable contributions.

### Works of art

Works of art may be donated to the National Gallery during your lifetime or by bequest. If you are considering donating a work of art, please contact us, as the National Gallery has specific policies and procedures for accepting gifts of art into the collection, whether by outright or promised gift. Please also note that the Board of Trustees must accept all works of art prior to their inclusion in the collection. ■



## Legacy Circle

The Legacy Circle recognizes and honors those who make a planned gift to the National Gallery. Anyone who makes a bequest, sets up a CGA, creates a trust arrangement, or includes any other provision in his or her estate plan for the benefit of the National Gallery is invited to join the Legacy Circle. By joining this group of individual donors, you will receive invitations to exclusive National Gallery events, presentations, and programs, and you will be recognized in National Gallery publications.

If you have made any type of estate planning provision to benefit the National Gallery, we would be delighted to recognize you as a member of the Legacy Circle. Please contact the development office at 202.842.6372 or [plannedgiving@nga.gov](mailto:plannedgiving@nga.gov) for more information.

## Make a Gift Today

Should you prefer to contribute cash or securities to the National Gallery now, you can still make a significant gift that may assist you in achieving your financial goals. By making an outright gift of such assets, you may receive an income tax charitable deduction, and if you contribute appreciated securities, you may avoid paying capital gains tax on the appreciation.

## Contact Us

If you or your adviser(s) would like additional information on making a gift to the National Gallery, please contact the development office at 202.842.6372 or [plannedgiving@nga.gov](mailto:plannedgiving@nga.gov).

Given the complexity of the rules relating to tax deductions for charitable giving, we recommend that you consult an attorney or financial adviser as you consider making a planned gift. The National Gallery is unable to provide any legal advice, including tax advice.

Images, in order of appearance

Gretchen W. Rogers, *Five O'Clock* (detail), c. 1910, oil on canvas, National Gallery of Art, Gift of Funds from James and Christiane Valone in memory of James F. Penrose, 2022.131.1. Vincent van Gogh, *Green Wheat Fields, Auvers* (detail), 1890, oil on canvas, National Gallery of Art, Collection of Mr. and Mrs. Paul Mellon, 2013.122.1. Arshile Gorky, *Standing Female Nude* (detail), c. 1930, gouache with collage on paperboard, National Gallery of Art, Ruth and Jacob Kainen Memorial Acquisition Fund, 2015.77.1. Lavinia Fontana, *Lucia Bonasoni Garzoni* (detail), c. 1590, oil on canvas, National Gallery of Art, Gift of Funds from Anonymous in memory of Montana Walker Strauss, and Patrons' Permanent Fund, 2022.38.1. Canaletto, *The "Giovedì Grasso" Festival before the Ducal Palace in Venice* (detail), 1765/1766, pen and brown ink with gray wash over traces of graphite, tip of the brush with black wash, heightened with touches of white gouache, National Gallery of Art, Wolfgang Ratjen Collection, Paul Mellon Fund, 2007.111.55. Lou Stovall, *Breathing Hope* (detail), 1996, color screenprint on wove paper, National Gallery of Art, Gift of Lou, Di Bagley and Will Stovall, 2007.54.1. Auguste Renoir, *Claude Renoir ("Coco")*, 1908, bronze, National Gallery of Art, Chester Dale Collection, 1963.10.242. Gustave Caillebotte, *Dahlias, Garden at Petit Gennevilliers* (detail), 1893, oil on canvas, National Gallery of Art, Gift of the Scharffenberger Family, 2016.48.1. Beatriz Milhazes, *Romantico americano* (detail), 1998, oil on canvas, National Gallery of Art, Gift of Tony Podesta Collection, Washington, DC, 2023.4.1. Johannes Isacius Pontanus, folio 228 (detail) from *Rerum et urbis Amstelodamensium historia* (Amsterdam, 1611), National Gallery of Art Library, Nell and Robert Weidenhammer Fund. James Van Der Zee, *Portrait of a Couple* (detail), 1924, gelatin silver print, National Gallery of Art, Robert B. Menschel Fund, 2000.83.1. © James Van Der Zee Archive, The Metropolitan Museum of Art. Constantin Brâncuși, *Bird in Space*, 1927, brass, limestone, and wood, National Gallery of Art, Given in loving memory of her husband, Taft Schreiber, by Rita Schreiber, 1989.31.3.

Cover: Fede Galizia, *Still Life with Apples, Pears, Cucumbers, Figs, Plums, and a Melon* (detail), c. 1625–1630, oil on panel, National Gallery of Art, Gift of Funds from Roger Sant, Patrons' Permanent Fund, and Gift of Funds from Deborah Burklund, 2023.3.2

