

# Advance the Cause of Liberty with a Gift to Cato



“There is no institution that, person for person, dollar for dollar, idea for idea, has been even close to the Cato Institute in advancing fundamental principles.”  
—FREDERICK W. SMITH, CEO FEDEX CORP., MEMBER, CATO BOARD OF DIRECTORS

## Special IRA Rollover Exemption Ends This Year

The Pension Protection Act of 2006 allows donors aged 70½ and older to withdraw up to \$100,000 tax-free from individual retirement accounts provided the money is donated directly to 501(c)3 nonprofit organizations such as the Cato Institute.

However, this special provision expires at the end of 2007 and does not apply to gifts made to donor-advised funds and supporting organizations.

Consult your financial planning professional to see if these provisions apply to you and would provide tax advantages for 2007. If so, make as generous a gift as possible using the attached business reply envelope. You may also contribute online anytime using our secure website form at [www.cato.org](http://www.cato.org)—click on the Contribute tab.

## Leaving a Legacy of Liberty with a Charitable Gift Annuity

To set up a Charitable Gift Annuity, you transfer cash or marketable securities to the Cato Institute. In return, Cato issues an annuity contract that will pay you or another desig-

nated beneficiary a guaranteed annuity for life. The annuity rate depends on the beneficiary's age and the type of annuity you choose. These annuities may be funded with cash or appreciated securities.

If a Charitable Gift Annuity is set up with appreciated securities, up-front capital gains tax can be avoided. As annuity payments are received, part of each one is treated as capital gains and taxed at the maximum rate of 15 percent. A portion of each payment is tax-free. The tax-free portion is smaller, however, than for an annuity funded with cash.

An annuity can be payable to you or any other person, including a spouse, a young child or grandchild upon reaching college age, or even an unrelated individual.

Contact your professional financial adviser to see if a Charitable Gift Annuity is appropriate for you. If so, contact the Cato Institute at **202-842-0200** and ask for Yana Davis. You may also e-mail him at [ydavis@cato.org](mailto:ydavis@cato.org). Or, simply indicate your interest in planned giving on the form on the detachable business reply envelope and mail it to us.

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