

The Charitable Gift Annuity

A Smart Way to Give and Receive



More Attractive Than Ever

Perhaps you are like our friends who prefer to support our programs through tax-wise gifts and who want to receive more fixed income. If so, now may be the ideal time to explore the many benefits of our gift annuity program.

Barbara is a good example. Her husband, a long-time supporter, died three years ago. Now, at age 75, Barbara's major objective is to establish a dependable income to ensure her financial security. She has always wanted to make a

substantial gift in her husband's memory, but feels that she simply cannot give up any of her present assets.

Barbara learned that she can transfer cash or appreciated property to us and receive dependable — and favorably taxed — fixed payments for as long as she lives. What's more, she can even deduct a portion of the transfer on her income tax return.

A favorably taxed income, immediate tax savings, the satisfaction of memorializing her hus-

band's name in a significant way — these are the rewards Barbara can gain by participating in our gift annuity program.

How a Gift Annuity Works for You

In exchange for your gift of cash or securities, we will agree to pay a specified dollar amount to you (and/or to another beneficiary) each year for as long as you (or another beneficiary) may live. In most cases, annuity payments will be made on a quarterly basis, although other payment options are available.

The annuity payments are based on the age of the annuitant(s) at the time you make your gift. The table on the right shows the percentage we will pay at various age levels.

For example, if you are 65 years old and make a gift of \$100,000 to this program, we will agree to pay you an annuity of \$6,000 a year for as long as you may live. If you are 80 years old the payments will be \$8,000 per year. Among the advantages of growing older are the higher rates you can expect with a gift annuity!

A Gift Annuity Saves You Taxes

A part of each and every annuity payment you receive will be taxable, but a portion will be free of income taxes until you reach life expectancy. The exact amount of the payment that will be tax-free depends upon the age of the beneficiary.

In addition, every gift made to our gift annuity program qualifies for an immediate income tax charitable deduction. The deduction generally is equal to the fair market value of the property transferred to us minus the present value of the annuity that the donor receives. Valuing the annuity depends on the number and age(s) of the annuitant(s), and the Applicable Federal Rate. We will be happy to supply a free illustration for your specific circumstances.

CHARITABLE GIFT ANNUITY INCOME PAYOUT RATES

| Age | Rate |
|-----|-------|
| 65 | 6.0% |
| 70 | 6.5% |
| 75 | 7.1% |
| 80 | 8.0% |
| 85 | 9.5% |
| 90 | 11.3% |

Charitable gift annuity rates are subject to change. Please call our office for the latest rates, or for the rate for your actual age.

A Gift Annuity Is Flexible

Where to direct the income. Arranging a gift annuity for yourself is only one of the possible beneficiary designations. If you are like many others, you may want to set up an annuity that will be paid to you and your spouse or to a parent or child for life.

Choosing the gift property. You can transfer cash or securities to our gift annuity program. Indeed, funding your gift with appreciated securities can be an excellent means of minimizing capital gains taxes. If you own assets that are providing little or no income, our gift annuity program is an opportunity to convert your investment into a high and favorably taxed income for life.

Additional Rewards to Consider

Property transferred to the gift annuity program generally will not be subject to estate taxes at your death (unless you name a second beneficiary). Gifts to the program can also significantly reduce the cost of administering your estate.

An Annuity Can Increase Your Income

To see how a gift annuity can increase your income, consider the following example:

Robert, age 70, transfers \$100,000 cash to our gift annuity program in exchange for an assured lifetime annuity of \$6,500 a year. At his age and assuming a 6.0% applicable federal rate, he can deduct about \$43,531 on his income tax return. If his federal income tax bracket is 35 percent, the charitable deduction will provide an immediate tax savings of about \$15,236 ($\$43,531 \times 0.35 = \$15,236$). Factor in the tax savings and the net outlay for Robert is only \$84,764. What's more, about \$3,800 of the \$6,500 annual payout will be tax-free until he reaches the age of his life expectancy.

A gift annuity is truly a gift plan that can help you do more for yourself and still make a gift that will have an impact on our important work.

How to Find out More

In today's fluctuating market, an assured high income for life is an opportunity worth exploring — especially when the income is favorably taxed. And that's what you get with a gift annuity. That's not all, however. A gift annuity also gives you the opportunity to make a personal statement about your commitment to our work. It's nice to know you can make a difference in the lives of others while also making a difference in your own.

For more information about how you can benefit from a gift annuity, request a no-obligation, personalized illustration to spell out your potential tax and financial benefits for a contribution you may wish to consider making to our gift annuity program. We look forward to hearing from you about this exciting opportunity.

