



*“Our charitable gift annuity through the Christian Church Foundation will allow us to continue our church witness long after our lives are over. Our gift annuity is a win-win situation: the payments now help supplement our pensions and give us more to live on; and the remainder at our deaths will go into a permanent fund that will make annual gifts in our name to the church.”*

— Bryan & Margi Lott

## Payout Rates

Here are some sample Gift Annuity payout rates, effective Feb. 1, 2009.. The rates, determined by the American Council on Gift Annuities, are subject to change. For the most current rates, or to see a free, confidential proposal, contact the Foundation at (800) 668-8016.

Single Life Gift Annuity			
AGE	RATE	AGE	RATE
55	4.8%	75	6.3%
60	5.0%	80	7.1%
65	5.3%	85	8.1%
70	5.7%	90	9.5%

Two-Life Gift Annuity			
AGES	RATE	AGES	RATE
60/60	4.6%	78/75	5.7%
65/60	4.8%	80/80	6.1%
65/65	4.9%	82/80	6.3%
69/65	5.0%	85/80	6.7%
70/70	5.2%	85/82	7.1%
75/70	5.3%	85/85	7.0%
75/75	5.6%	90/90	8.3%

## Questions

*What is the minimum amount for establishing a Charitable Gift Annuity with the Christian Church Foundation? \$2,500.*

*Can I add gifts later to my Charitable Gift Annuity?*  
No, because this is a contract at a point in time and cannot be amended or changed. In this case, you would simply establish an additional Charitable Gift Annuity at the higher rate.

*Can I name two or more causes of the church to receive the money after I am gone?* Yes. Just tell us how it is to be distributed.

*What is the next step?* Call the Christian Church Foundation at (800) 668-8016 and give us your birth-date and projected gift amount. We will gladly send you, without obligation, a confidential proposal that provides the immediate tax deduction, the amount of the payment you would receive from us and the portion of that payment that would be non-taxable.

*“A gift annuity is a win-win situation for us. In exchange for the gift, we receive a fixed stream of payments for the rest of our lives. The payout rate is quite attractive because of our ages. Our congregation also wins because the residual at our deaths will go into an endowment fund at the church to undergird its mission and ministry in perpetuity. It pays to be a good steward!”*



— Bill & Lorraine Briggs



*Helping Disciples Make a Difference*

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## A Guide to a

# Charitable Gift Annuity

The Gift That Pays For Life



*Helping Disciples Make a Difference*

## The Charitable Gift Annuity

The Charitable Gift Annuity is one of the oldest and simplest forms of a deferred gift. Next to a gift by will, this is perhaps the least complicated type of planned gift.

A deferred gift is an irrevocable charitable donation that provides the charity with funds after the income beneficiary (also called the annuitant) dies. Since a beneficiary (which may or may not be the donor) retains payments for life, and the charity receives the gift later, it is called a deferred gift.

A Charitable Gift Annuity is a contractual agreement between a charity and a donor. The donor makes an irrevocable gift and a beneficiary receives a set payment for life. The transaction is both an issuance of an annuity and a charitable contribution. Therefore, an immediate income tax deduction is allowed for the charitable gift portion.

The tax consequences of your gift and the manner in which it should be reported on your tax return depend upon your particular circumstances. You should consult with your own advisors.

Payments made under a Charitable Gift Annuity are backed solely by the full faith and credit of the Foundation, and 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 or any governmental agency. Charitable Gift Annuities are not available in all states.

## Payment To Beneficiary

*What size payment will the annuitant receive?*

The payout rates are based upon actuarial tables and are established by the American Council on Gift Annuities. The rates are subject to change. The rate is locked in at the time the Gift Annuity is completed. When payment is provided for two lives, like a husband and wife, the rate is lower.

## Benefits

*What are the benefits of a Charitable Gift Annuity?*

**1** The donor has the satisfaction of making a gift now and knowing the residual will go to the church later. Some donors like to use their gift as a way to endow their church pledge after they are gone. By establishing a permanent fund with the residual of the annuity, an annual check would be sent from the Christian Church Foundation to the church in memory of the donor.

**2** The donor receives a tax deduction for the gift in the year the gift is made. For example, a single annuitant 80 years of age would receive a deduction for about half of the gift amount.

**3** The annuitant receives payments that are partially tax exempt for the life expectancy of the annuitant.

**4** The donor can avoid some capital gain taxes if long-term appreciated assets, such as equities, are used to fund a Charitable Gift Annuity. That portion of capital gain taxes reportable is reported over the expected life of the donor if the donor is the payment recipient.

## Ideal Candidates

*Who is the ideal candidate for a Charitable Gift Annuity?*

**1** Someone who loves the church and has the assets to make a gift.

**2** Older adults. The older the person, the higher the payout rate.

**3** Someone who can use the income tax deduction and the fixed payments.

## Here's How It Can Work

Mr. and Mrs. Donor love their church and are thinking of reducing the size of their estate by use of a Charitable Gift Annuity. He is 81 and she is 80. They have no children.

They own highly appreciated stock that is paying a very low dividend. They decide to fund an Annuity with \$80,000 in stock that they paid just \$10,000 for nearly 20 years ago.

They receive an immediate charitable tax deduction of \$30,738. The annuity payout rate will be 6.2%, meaning they will receive \$4,960 annually — an amount much higher than the stock dividend. Of that, \$429.07 will be tax free for the remainder of their life expectancies.

Mr. and Mrs. Donor do not have to pay immediate capital gain taxes on the \$70,000 appreciation on the stock. By selling the stock outright, they otherwise could face paying up to \$10,500 in capital gain taxes in the current year.

Their gift will establish a permanent fund at the Foundation that will split annual payments between their congregation and Church Extension to help new churches. They feel good knowing this fund, established in their memory, will produce income for these causes of the church in perpetuity.

Their church friends, Mr. and Mrs. Clark, both 79, also funded a Charitable Gift Annuity, using \$20,000 from a Certificate of Deposit that was paying about 3%. At their age, the Charitable Gift Annuity payout rate is 6.0%, providing them with \$1,200 annually, some of which is free of tax. In addition, they receive an immediate tax deduction of \$7,061. They decide the remainder at their deaths will help Week of Compassion provide care throughout the world.