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Charitable Gift Annuities

A brief guide on how to receive guaranteed income for life

We will pay you a guaranteed fixed income for life — in return for your charitable gift to us — through a charitable gift annuity. If you are married, your spouse can also be guaranteed the same fixed income for his or her life.

The rate of return you receive depends upon your age (and, if applicable, the age of your spouse) at the time of your gift. The older you are, the higher the rate of return. You can be assured of receiving the same annual income from us — on a quarterly or other periodic basis — no matter what happens to the stock market or interest rates. And, a portion of each income payment from us will be tax-free!

When you create a charitable gift annuity, you also receive a significant income tax charitable contribution deduction. There are also capital gains advantages if you fund the annuity with appreciated stock.

QUESTIONS AND ANSWERS

Here are some of the questions we are frequently asked about the charitable gift annuity.

Q. What guaranteed rate of return will I receive, and how much will the charitable deduction be?

A. The chart provided in this brochure gives many of these figures. For example, if you are age 75, we can pay you a 5.4% rate of return and your charitable deduction will be approximately 43% of the amount contributed. Note that the charitable deduction percentages will vary somewhat. We will be pleased to provide you with a personalized example of the benefits available to you at any age or ages.

Q. How are the rates of return determined and how can you pay such attractive rates?

A. The rates are those recommended by the American Council on Gift Annuities. The Council meets periodically to consider rates that charitable institutions and organizations might appropriately pay. The rates take into consideration the fact that we may have to encroach upon the principal of the gift from time to time. These and other factors help determine the amount of your charitable contribution deduction—which is the present value of your gift to us.



Q. How am I taxed on the income I receive from the gift annuity?

A. Much of the income is taxed as ordinary income, but a significant portion of the income will be tax-free. This, of course, increases your effective rate of return.

Q. What are the tax consequences of funding a gift annuity with appreciated stock?

A. Capital gains will be incurred on a portion of the appreciation. The gain may generally be reported either in the year of the transfer or in much smaller annual installments over your life expectancy.

Q. What types of individuals benefit the most from a charitable gift annuity?

A. The gift annuity is most appropriate for those individuals who want a high, steady stream of income for the rest of their lives — while they help us. It's a great way to receive a higher rate of return than is sometimes possible through savings accounts, money market funds, and other alternatives.

Q. What are the possible drawbacks to the gift annuity?

A. A major consideration is that the gift annuity, like most charitable gifts, is an irrevocable transfer -- i.e., your money can never be returned or refunded. To receive the significant tax advantages that the gift annuity offers, the tax law requires this to be an irrevocable gift. Check with your attorney or accountant for any other possible drawbacks in your situation.

Q. I don't need any additional income now, yet the gift annuity sounds like a great idea for additional retirement income. Can I make the gift now and specify that income will be paid to me upon my retirement at a later date?

A. Yes. This is called a deferred payment gift annuity. You make the gift now and receive the tax deduction now, when it will probably do you the most good. Income commences at some later date, such as upon your retirement. Since we can invest the assets for a number of years before making annuity payments, both your rate of return and your charitable deduction are generous. This is an excellent plan for those who want to supplement their other retirement plans and help us at the same time.



Q. How can I receive additional information on the advantages of the gift annuity?

A. Since this brochure cannot provide you with all the information you need to decide whether or not the gift annuity is appropriate for your situation, consult with your attorney, accountant, or other professional advisor for additional information. We would also be pleased to provide you with additional information and answers to your questions — at no obligation. Thank you for your interest and support.

ONE-LIFE CHARITABLE GIFT ANNUITIES

Age	Rate	Charitable %
60	3.9%	22%
61	4.0%	23%
62	4.0%	26%
63	4.1%	26%
64	4.2%	27%
65	4.2%	30%
66	4.3%	31%
67	4.4%	32%
68	4.5%	34%
69	4.6%	35%
70	4.7%	37%
71	4.8%	38%
72	4.9%	40%
73	5.1%	40%
74	5.2%	42%
75	5.4%	43%
76	5.6%	44%
77	5.8%	44%
78	6.0%	46%
79	6.2%	47%
80	6.5%	47%
81	6.7%	49%
82	7.0%	49%
83	7.2%	51%
84	7.4%	52%
85	7.6%	54%
86	7.8%	56%



87	8.0%	57%
88	8.2%	59%
89	8.4%	61%
90+	8.6%	62%

TWO-LIFE CHARITABLE GIFT ANNUITIES

Age	Rate	Charitable %
60/6 0	3.6%	10%
60/6 5	3.7%	14%
65/6 5	3.8%	20%
65/7 0	4.0%	22%
70/7 0	4.2%	26%
70/7 5	4.3%	31%
75/7 5	4.6%	35%
75/8 0	4.9%	37%
80/8 0	5.4%	40%

Charitable gift annuities are available for other ages and combinations of ages. Rates are based upon the age(s) as of the closest birthday. The charitable contribution deduction will vary somewhat based upon the month in which the gift is made. For example, if an individual age 75 creates an annuity with us for \$10,000, his or her charitable deduction will be approximately \$4,300 ($\$10,000 \times 43\%$), but the precise deduction may be somewhat higher or lower. We will be glad to provide you with the rate of return and charitable deduction figures for any gift annuities you may be contemplating.



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CONTACT

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