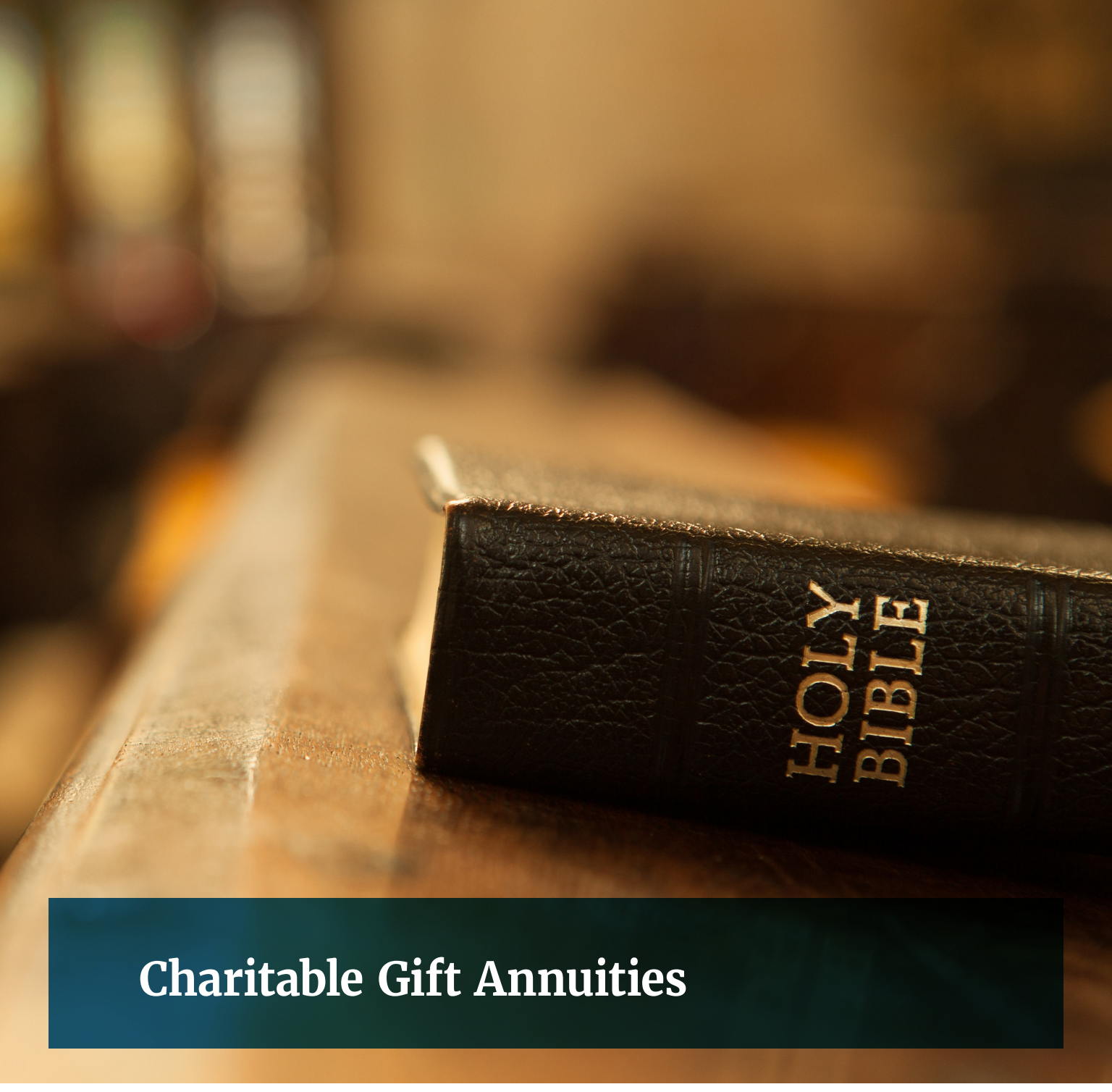


Charitable Gift Annuities

Turning Point™
with Dr. David Jeremiah

But do not forget to do good and to share, for with such sacrifices God is well pleased. (Hebrews 13:16)

Are You Retirement Ready?

Building retirement savings often takes decades. Those in the middle of a successful career may find it hard to imagine that the road to retirement will actually come to an end. Those who are almost or already retired are likely surprised at how quickly retirement arrived.

Whether you are approaching retirement or already there, it is worth considering a Charitable Gift Annuity (CGA) as part of your retirement plan. It can help you arrange savings for retirement, manage income during retirement, and provide welcome support for our mission.

A CGA is a gift plan uniquely suited to people who want to:

- Benefit society
- Provide for retirement
- Qualify for a current income tax deduction
- Receive a lifetime income beginning now or at a designated time in the future

You benefit by choosing to delay the start of annuity payments. The longer you defer payments, the larger your tax deduction and the greater the payout rate. This flexibility lets you tailor a gift annuity to meet your specific retirement planning goals.

A Charitable Gift Annuity: Lifetime Income Starting Now

There are several reasons why you might want to establish a gift annuity right now:

- Lock in the payout rate for life—and the payout rates are higher than you might expect (see the rate chart below).
- Immediately reduce your tax bill with a current income tax charitable deduction if you itemize. Note that only the portion of your total annual charitable contributions over 0.5% of your adjusted gross income qualifies for a charitable deduction.
- Enjoy an easy set-up without worrying about renewals or falling rates.
- Establish new gift annuities year after year if they meet your needs.

SAMPLE ONE-LIFE GIFT ANNUITY RATES (effective since January 2024)

AGE	65	70	75	80	85	90+
RATE	5.7%	6.3%	7.0%	8.1%	9.1%	10.1%

Rates are subject to change. Please contact our office to verify current rates.

Understanding the Basics

A Charitable Gift Annuity is a split gift—part charitable gift and part annuity purchase. When you fund a gift annuity, you receive a percentage of the gift amount on a regular basis to one or two beneficiaries for life.

The payout rate depends on several factors. Most importantly, it depends on the age of the person who receives the annuity payments, whether those payments begin now or later, and whether the income will be paid over one lifetime or two.

An Easy Way to Make a Meaningful Gift

Because the minimum gift requirement can be modest, CGAs give you the opportunity to make meaningful gifts that might not have been possible otherwise. Gift annuities also can be funded in a variety of ways, including cash, long-term appreciated property, or even real estate.

CGAs are easy to establish and maintain. You complete a simple agreement. You receive a check at regular intervals. At the end of each year, you receive a statement for use in preparing your income tax returns. We are happy to explore the possibilities with you to help you determine which assets might produce the best financial and tax results.

Important Tax Benefits

Since a Charitable Gift Annuity is a split gift—part gift and part income—you enjoy three important tax benefits:

- A generous income tax charitable deduction is available based on the present value of our interest (subject to limitations).
- A portion of each payment is tax free until you reach life expectancy, at which time payments are taxed as ordinary income.
- If you use an appreciated asset to fund the CGA, no capital gains tax is due on the gift portion, while any capital gains tax attributed to the annuity portion is spread over your life expectancy.

We can provide you with no-obligation illustrations that spell out expected tax and financial benefits so that you can see exactly how a gift annuity might work in your particular situation. Of course, if you establish a gift annuity, we will provide you with the necessary tax information each year.

DEFERRING PAYMENTS

Many of our supporters are still working. Others have an income stream that will last for a few years, perhaps from a contract sale of real estate or from a deferred compensation plan. You can choose to defer annuity payments until retirement or some later date. Deferral provides a higher payout rate and a bigger income tax charitable deduction if you itemize, and may therefore be even more beneficial to those in their prime working years.

The very attractive deductions and payout rates of the Deferred Charitable Gift Annuity often make it an ideal vehicle if you want to make a significant gift while supplementing your retirement planning.

It is also possible to create a Deferred Gift Annuity with an unspecified future start date. This allows you to postpone the decision on when you want to start receiving payments within a predetermined time frame. In this case, the deduction will be based on the earliest possible start date, but your annuity rate will increase with each year you continue to defer payments. This can be useful if you have not yet chosen a retirement date or face a future expense without clear timing (such as paying for a relative's nursing home care).

Frequently Asked Questions

Can I make additional contributions to a CGA?

No, a CGA does not permit additional contributions. However, since gift annuities are easy to set up, you can always establish new gift annuities. Some of our supporters create a series of gift annuities to begin at different times during retirement.

Can I name more than one charitable beneficiary?

No, a CGA is a contractual arrangement between you and a specific nonprofit organization.

Why choose a Charitable Gift Annuity rather than a Charitable Remainder Trust (CRT)?

Charitable Gift Annuities are easier to set up, have a considerably smaller minimum gift requirement, do not cost money to establish, and do not require the involvement of an attorney. In many cases, these benefits make a gift annuity more practical than a CRT. Many people also like the simplicity of a gift annuity agreement.

Can I fund a gift annuity with assets from my IRA?

Yes. If you are age 70½ or older, you can make a one-time Qualified Charitable Distribution (QCD) up to $55,000 (in 2026) from your IRA to fund a new CGA or CRT. No tax is due on the distribution, and it

counts toward your required minimum distribution (RMD) if one is due (generally, beginning at age 73). Payments may only go to you and/or your spouse. If you are married, you and your spouse may contribute up to $55,000 each from your individual IRAs to create a single joint-life gift annuity.

Can I withdraw the funds in case of an emergency?

No, contributions to gift annuities are irrevocable. The amount you transfer to us can only be returned in the form of annuity payments.

How can I find out if a gift annuity is right for me?

You can contact us. We will be happy to prepare a personalized illustration showing how a CGA might work in your particular situation, including both the projected income stream and the expected tax savings based on the size of the gift and the type of assets used. The benefits are worth exploring, and you can do so without obligation.

Smart Giving Strategies

There are smart gifting options for every stage of life—practical ways to meet both your planning and philanthropic goals. While each gift greatly benefits our mission, Charitable Gift Annuities also provide important benefits to you. Please take a moment to contact us by phone or email to request additional information about CGAs. As always, we appreciate your consideration and support.

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Tax information provided herein is not intended as tax or legal advice and cannot be relied on to avoid statutory penalties. Always check with your tax and financial advisors before implementing any gift. CGA0126-TP