

**Procedure for Calculating Suggested  
Deferred Gift Annuity Rates**  
Approved by the American Council on Gift Annuities  
Effective July 1, 2010

1. Determine the annuity starting date, which is:
  - One year before the first payment, if payments are made annually.
  - Six months before the first payment, if payments are made semi-annually.
  - Three months before the first payment, if payments are made quarterly.
  - One month before the first payment, if payments are made monthly.
  
2. Determine the number of whole and fractional years from the date of the contribution to the annuity starting date (the deferral period). Express the fractional year as a decimal of four numbers.
  
3. For a deferral period of any length, use the following formula to determine the compound interest factor:
 

$F = 1.045^d$ , where  
F is the compound interest factor and  
d is the deferral period

Example: If the period between the contribution date and the annuity starting date is 14.5760 years, the compound interest factor would be  $1.045^{14.5760} = 1.8995$ .
  
4. Multiply the compound interest factor (F) by the immediate gift annuity rate for the nearest age or ages of a person or persons at the annuity starting date.
 

Example: If the sole annuitant will be nearest age 65 on the annuity starting date and the compound interest factor is 1.8995, the deferred gift annuity rate would be  $1.8995 \times 5.5\% = 10.4\%$  (rounded to the nearest tenth of a percent).

**Comments:**

- The annuity starting date for purposes of calculating the deferred gift annuity rate will be the same as the annuity starting date for calculating the charitable deduction, if payments are at the end of the period (which is usually the case). This was not true with the pre-July 1, 2001 methodology.
- An annuitant is credited with compound interest for the entire period from the date of contribution to the annuity starting date. Under the pre-July, 2001 methodology, compound interest was credited only for the number of whole years between the two dates.
- Charities issuing deferred gift annuities in New York and New Jersey may need to use a slightly lower compounding rate depending on the deferral period. Information regarding this subject will be posted on the ACGA website ([www.acga-web.org](http://www.acga-web.org)) and on the new gift annuity rate sheets.

## SINGLE LIFE

Age	Rate	Age	Rate
0-5	3.1	65-66	5.5
6-11	3.2	67	5.6
12-16	3.3	68	5.7
17-20	3.4	69-70	5.8
21-25	3.5	71	5.9
26-29	3.6	72	6.0
30-31	3.7	73	6.1
32-33	3.8	74	6.3
34-36	3.9	75	6.4
37-38	4.0	76	6.5
39-40	4.1	77	6.7
41	4.2	78	6.8
42-43	4.3	79	7.0
44-45	4.4	80	7.2
46	4.5	81	7.4
47	4.6	82	7.5
48-49	4.7	83	7.7
50	4.8	84	7.9
51-53	4.9	85	8.1
54-56	5.0	86	8.3
57-58	5.1	87	8.6
59-61	5.2	88	8.9
62-63	5.3	89	9.2
64	5.4	90 and over	9.5

**NOTES:**

1. The rates are for ages at the nearest birthday.
2. For immediate gift annuities, these rates will result in a charitable deduction of more than 10% if the CFMR is 3.2% or higher, whatever the payment frequency. If the CFMR is less than 3.2%, the deduction will be less than 10% when annuitants are below certain ages.
3. For deferred gift annuities with longer deferral periods, the rates may not pass the 10% test when the CFMR is low.
4. To avoid adverse tax consequences, the charity should reduce the gift annuity rate to whatever level is necessary to generate a charitable deduction in excess of 10%.

## SUGGESTED CHARITABLE GIFT ANNUITY RATES

Approved by the American Council on Gift Annuities  
April 28, 2010  
Effective June 1, 2010

**AMERICAN  
COUNCIL ON  
GIFT ANNUITIES**

*Promoting Responsible Philanthropy*

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**Charitable gift annuity rates offered by the  
Lutheran Community Foundation are  
based on ACGA rates. For more information  
about charitable gift annuities through the  
Foundation, call 800-365-4172 or visit  
[www.TheLCF.org](http://www.TheLCF.org).**

# TWO LIVES – JOINT AND SURVIVOR

Younger Age	Older Age	Rate
0-4	All	3.0
5-14	5+	3.1
15-21	15+	3.2
22-26	22+	3.3
27-31	27+	3.4
32-34	32+	3.5
35-38	35+	3.6
39-40	39+	3.7
41-43	41+	3.8
44-45	44+	3.9
46-47	46+	4.0
48-49	48+	4.1
50	50+	4.2
51-52	51+	4.3
53	53+	4.4
54	54+	4.5
55-56	55+	4.6
57	57+	4.7
58	58+	4.8
59	59+	4.9
60	60-61	4.9
60	62+	5.0
61	61+	5.0
62	62-65	5.0
62	66+	5.1
63	63-64	5.0
63	65+	5.1
64	64-68	5.1
64	69+	5.2
65	65-67	5.1
65	68+	5.2
66	66	5.1
66	67-70	5.2
66	71+	5.3
67	67-69	5.2
67	70-73	5.3
67	74+	5.4
68	68	5.2
68	69-72	5.3
68	73+	5.4

Younger Age	Older Age	Rate
69	69-70	5.3
69	71-74	5.4
69	75+	5.5
70	70-73	5.4
70	74-77	5.5
70	78+	5.6
71	71-72	5.4
71	73-75	5.5
71	76-78	5.6
71	79+	5.7
72	72-73	5.5
72	74-77	5.6
72	78-80	5.7
72	81+	5.8
73	73-75	5.6
73	76-78	5.7
73	79-81	5.8
73	82+	5.9
74	74	5.6
74	75-76	5.7
74	77-79	5.8
74	80-82	5.9
74	83+	6.0
75	75	5.7
75	76-78	5.8
75	79-80	5.9
75	81-83	6.0
75	84+	6.1
76	76	5.8
76	77-79	5.9
76	80-81	6.0
76	82-83	6.1
76	84-86	6.2
76	87+	6.3
77	77	5.9
77	78-79	6.0
77	80-81	6.1
77	82-84	6.2
77	85-86	6.3
77	87+	6.4

Younger Age	Older Age	Rate
78	78	6.0
78	79-80	6.1
78	81-82	6.2
78	83-84	6.3
78	85-86	6.4
78	87-89	6.5
78	90+	6.6
79	79	6.1
79	80	6.2
79	81-82	6.3
79	83-84	6.4
79	85-86	6.5
79	87-88	6.6
79	89-91	6.7
79	92+	6.8
80	80-81	6.3
80	82	6.4
80	83-84	6.5
80	85-86	6.6
80	87-88	6.7
80	89-90	6.8
80	91-93	6.9
80	94+	7.0
81	81	6.4
81	82-83	6.5
81	84	6.6
81	85-86	6.7
81	87	6.8
81	88-89	6.9
81	90-92	7.0
81	93-94	7.1
81	95+	7.2
82	82	6.5
82	83	6.6
82	84	6.7
82	85-86	6.8
82	87	6.9
82	88-89	7.0
82	90	7.1
82	91-93	7.2

Younger Age	Older Age	Rate
82	94+	7.3
83	83	6.7
83	84	6.8
83	85	6.9
83	86-87	7.0
83	88	7.1
83	89-90	7.2
83	91	7.3
83	92-93	7.4
83	94+	7.5
84	84	6.9
84	85	7.0
84	86	7.1
84	87-88	7.2
84	89	7.3
84	90	7.4
84	91-92	7.5
84	93-94	7.6
84	95+	7.7
85	85	7.1
85	86	7.2
85	87	7.3
85	88	7.4
85	89-90	7.5
85	91	7.6
85	92	7.7
85	93-94	7.8
85	95+	7.9
86	86	7.3
86	87	7.4
86	88	7.5
86	89	7.6
86	90	7.7
86	91	7.8
86	92	7.9
86	93-94	8.0
86	95+	8.1
87	87	7.5
87	88	7.6
87	89	7.7

Younger Age	Older Age	Rate
87	90	7.9
87	91	8.0
87	92-93	8.1
87	94	8.2
87	95+	8.3
88	88	7.8
88	89	7.9
88	90	8.0
88	91	8.1
88	92	8.2
88	93	8.3
88	94	8.4
88	95+	8.5
89	89	8.0
89	90	8.2
89	91	8.3
89	92	8.4
89	93	8.5
89	94	8.7
89	95+	8.8
90	90	8.3
90	91	8.5
90	92	8.6
90	93	8.7
90	94	8.9
90	95+	9.0
91	91	8.6
91	92	8.8
91	93	8.9
91	94	9.1
91	95+	9.2
92	92	8.9
92	93	9.1
92	94+	9.3
93	93+	9.3
94	94+	9.3
95	95+	9.3

**Note to Charities Issuing Deferred Gift Annuities  
in New York and New Jersey\***

**Approved by the American Council on Gift Annuities  
on April 28, 2010  
Effective July 1, 2010**

Through August of 2010 the following compound interest factors during the deferral period noted will satisfy the requirements of New York and New Jersey:

For all deferral periods:

Single-life and two-life annuities, whatever the gender of the annuitants, a compound interest factor of 4.50%.

When New York and New Jersey release their internal assumptions later this year, the maximum compound interest factors for longer deferral periods may change. Information about the maximum compound interest factors for these two states will be posted on the ACGA website at that time. See [www.acga-web.org](http://www.acga-web.org).

\*New York and New Jersey are the two states known at this time that may require different interest factors for deferred gift annuities with longer deferral periods.

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