



# CHARITABLE GIFT ANNUITIES



## Make a gift of cash, publicly traded securities or mutual funds and, in turn, receive income for life.

Through a charitable gift annuity at the Lutheran Community Foundation (LCF), you can make a gift of cash, publicly traded securities or mutual funds and, in turn, receive a life-long stream of income. You can begin payments immediately or defer payments to a future date. Regardless of when payments begin, you will receive ongoing quarterly payments that remain constant, regardless of investment performance. Upon the death of all named to receive income, the remainder of the gift annuity is directed to your charitable fund at the LCF to provide ongoing, annual support to your favorite charities or causes.

Gift Minimum: \$10,000

### BENEFITS TO YOU, THE DONOR

**Receive lifetime income.** Quarterly payments to you, your spouse, family members or friends can begin 1) immediately, 2) on a future specified date or 3) on a future flexible date. The lifetime income payment percentage is based on the age(s) of the named income recipient(s), and can range from 3–9.8%. The LCF bases its gift annuity rates on rates published by the American Council on Gift Annuities.

**Reduce your taxes.** Receive an immediate charitable income tax deduction in the year the gift is made, and unused charitable deductions can be carried over an additional five years. In addition, a portion of your gift annuity income is typically free from taxes.

For gifts of securities owned for more than a year, you bypass capital gain taxes on the appreciated value at the time of the gift in most cases. The LCF sells appreciated securities tax free.

**Lower your estate taxes.** By taking appreciated assets out of your estate, you'll reduce the size of your estate and possibly your tax liability. (There can be estate/gift tax consequences if someone other than you or your spouse is named as an income recipient.)

### CHARITABLE BENEFITS OF THE GIFT ANNUITY

**Long-lasting support to charities or causes.** Upon the death of the income recipients, the remaining value of the gift annuity is directed to your charitable fund at the LCF. Your fund is invested and managed to provide long-lasting support to your recommended charities and/or causes.

[continued on back](#)

### DONOR STORY

#### Immediate Gift Annuity

**The Donor.** Woman, 76, decided to cash in a matured certificate of deposit (CD) to create a stream of income to supplement her retirement income and benefit her favorite charities.

**Her Gift.** She established an immediate gift annuity using \$25,000 cash. Based on her age, the gift annuity payout percentage was set at 6.6%, providing her with an annual income of \$1,650 for life. Approximately \$1,201 of this annual income is free from income tax during her life expectancy. She also received a charitable income tax deduction of \$10,831.

Upon her death, the remainder of her gift annuity goes into her charitable fund to provide long-lasting support to her favorite charities, including her church.

#### Flexible Deferred Gift Annuity

**The Donors.** Couple, 57 and 60, both working, owned \$100,000 in stock and wanted to use it to create a future source of retirement income and support their family's favorite charities.

**Their Gift.** They established a flexible deferred gift annuity using \$100,000 of appreciated stock. Based on their ages and a deferral period that's 10–15 years in the future, their gift annuity payout percentage will be between 7.3% and 9.8%, depending on when they decide to begin taking the payments. They also received an immediate charitable income tax deduction of \$25,391. They will receive quarterly income payments until their deaths, and what's left in their gift annuity goes into a charitable fund to be advised by their children.

*The dollar amounts in this example are estimates. Gift annuity payments are based on the full faith and credit of the LCF. Charitable deductions are based in part on the prevailing IRS discount. These examples reflect a prevailing rate of 3.0%.*

## FOR MORE INFORMATION

For more information, contact the LCF at 1-800-365-4172. We can assist you by providing a personalized illustration that describes the income and tax benefits you could receive. There is no charge and you are under no obligation.

You may also wish to visit [www.TheLCF.org](http://www.TheLCF.org) to further explore rates and payment information using the LCF's online Gift Calculator, and other giving options using the Giving Options Tool.

*Charitable giving can result in significant tax, legal and financial consequences. Because the LCF cannot give tax or legal advice, you are strongly encouraged to consult with your personal tax and legal advisors.*

*Payout rates, charitable deductions and other benefits vary based on a number of factors. With a gift annuity, you simultaneously make a charitable gift and provide payments for life to yourself and/or another person. The fact that you are making a charitable gift may entitle you to income, gift and estate tax deductions. However, because a charitable gift is involved, the annuity rates offered by the Lutheran Community Foundation are lower than those available through commercial annuities offered by insurance companies and other financial institutions.*

**State Disclosures:** *A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. The payments made under a charitable gift annuity are subject to regulations by the California Insurance Department, but are not insured or otherwise guaranteed by any government agency or the California Life and Health Insurance Guaranty Association. Donors should seek the advice of counsel prior to entering into a gift annuity agreement. **Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.***

*To ensure compliance with IRS requirements, be aware that any U.S. federal tax advice that may be contained in this brochure is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing and recommending another party to any transaction or matter addressed herein.*



## YOUR PARTNER IN GIVING

The Lutheran Community Foundation is  
a public charity working nationally  
to help people give to their  
favorite charities and causes.

## WHAT WE OFFER

- Breadth of giving options, including bequests, cash, stock, real estate, life insurance, or charitable gift annuities and charitable remainder trusts that first pay a lifetime income to the donor or another party.
- Charitable fund options to match your charitable interests, including donor advised funds and collaborative funds.
- Flexibility to recommend Lutheran and/or non-Lutheran charities, and the option to change charities if you wish.
- Maximum tax benefits based on when and how your gifts are made. Gifts can be made during a donor's lifetime or upon death.
- Donor-centered programs and online services to help you reach your charitable goals.