



Plan for Retirement With a Deferred Gift Annuity

Extra Income Later, When You Need It Most

If you're looking for ways to support our charitable work and prepare for your retirement, a deferred charitable gift annuity may be your answer.

How It Works

You make a contribution to us now of cash or appreciated property you have owned longer than one year, and we agree to pay you fixed payments for the rest of your life starting at any date you select that is at least one year from now.

The rate used to determine the amount of the payments is based on the age of the annuitant on the date the payments begin and the length of time from the creation of the annuity to the first annuity payment. The older the annuitant and the longer the deferral, the higher the rate of the annual annuity payments.



Sample Deferred Gift Annuity Rates For One Person

Current Age	Deferred Until Age	Rate
50	70	9.4%
50	65	7.4%
55	70	8.0%
55	65	6.3%
60	70	6.8%
60	65	5.3%
65	70	5.8%

NOTE: Your rate may vary slightly depending on the date of birth and the date of the gift. Contact us for a personalized illustration or for more information.



3 Income Tax Benefits

1. You can secure a substantial income tax charitable deduction immediately, equal to the difference between the fair market value of the property or the amount of cash given to the charity and the value of your gift annuity payments.
2. If you fund the gift annuity with appreciated property that you've owned longer than one year, you can avoid, in part, the tax on the capital gain. In effect, you will be treated as engaging in two transactions: (1) a sale to the charity of a portion of your gift at a price equal to the value of the gift annuity and (2) a charitable gift of the balance.
3. You can receive secure payments that are partly income tax-free. In addition, if you contribute appreciated property you've owned longer than one year, a portion of each payment is generally taxed at a lower rate because it is considered long-term capital gain.

Example: Donald, 50, gives us \$40,000 in appreciated stock that he has owned longer than one year in exchange for a deferred gift annuity that will begin making payments 15 years from now. His basis in the stock is \$10,000. Using the suggested rates, Donald's deferred gift annuity will pay at an annual rate of 7.4 percent, or \$2,960. His rate would only be 3.7 percent if his payments started now. His charitable deduction will be approximately \$7,878.* If Donald is in the 33 percent income tax bracket, this charitable deduction will result in a tax savings of \$2,600.

His gift in exchange for the gift annuity will be considered as two transactions: (1) a sale to us of a portion of his property at a price equal to the value of his gift annuity (\$32,122) and (2) a charitable gift of the remaining balance that we're estimated to receive after his lifetime (\$7,878).

For 18 years after the annuity payments begin, each payment will be taxed as follows:

fair market value
the price a willing buyer and a willing seller can agree on

capital gain
the growth in value of an asset like stock or real estate since the original purchase

cost basis
the original value of an asset, such as stock, before its appreciation or depreciation

Gift Annuity Payment Breakdown

- \$1,311 taxed at ordinary income rates
- \$1,237 taxed at capital gains rates
- \$ 412 tax-free return of gift
- \$2,960 total annuity payment

his 19.5-year life expectancy, the annuity payments will be taxed in full as ordinary income.

Moving Forward

We would be glad to explain the specific financial benefits you can enjoy when creating a deferred charitable gift annuity with us. Give us a call today.

**Assumes annual payments and a 1.4 percent charitable midterm federal rate. Deductions vary based on income earned.*

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