

# Charitable Gift Annuities

Of all the life income gifts available, charitable gift annuities may be the easiest to complete. A charitable gift annuity is a simple contract between you and Children's Hospital of The King's Daughters. In exchange for your irrevocable gift of cash, securities, or other assets, CHKD agrees to pay one or two annuitants a fixed sum each year for life. The older your designated annuitants are at the time of the gift, the greater the fixed income Children's Hospital of The King's Daughters can agree to pay. In most cases, part of each payment is tax-free, increasing after-tax value.

Income is set when you make your gift so you know upfront how much to expect and payments may be made annually, semiannually, or quarterly. A charitable gift annuity may be funded with a gift of \$20,000 or more and the minimum age to begin receiving income payments with CHKD is 65. After the death of the last annuitant, the balance remaining in your gift annuity is given to CHKD.

For even greater income, you may defer your income payments from a charitable gift annuity to anytime after you turn 65. Donors often establish a charitable gift annuity to receive an immediate tax deduction and defer receiving the income from the annuity until later, supplementing retirement income.

You may fund your charitable gift annuity with appreciated securities, and when you contribute appreciated but low-yielding assets, you put the entire amount of your gift to work earning income for you. Only a portion of your capital gain will be reportable and the tax will be spread out over your annuity payments during your life expectancy.

Charitable gift annuity payment rates are based upon a variety of factors - your age, the current IRS discount rates, and payment rates determined by the American Council on Gift Annuities. The actual benefits may vary depending on the timing of your gift.

(continued)



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**Payment rates for immediate Charitable Gift Annuities (as of 6/18/12)  
For One and Two Annuitants:**

One Life				Two Life		
Age (Years)	Rate	Charitable Deduction*		Age (Years)	Rate	Charitable Deduction*
65	4.7%	\$6,462.60		65/65	4.2%	\$4,901.40
70	5.1%	\$7,801.80		70/70	4.6%	\$5,935.60
75	5.8%	\$8,852.40		75/75	5.0%	\$7,389.80
80	6.8%	\$9,816.20		80/80	5.7%	\$8,510.20
85	7.8%	\$11,164.40		85/85	6.7%	\$9,546.20

\* Based on \$20,000 Cash Gift

*Note: Using 2% IRS discount rate – deduction subject to change. Contact our office for a personal illustration based on the latest rates.*

### **How Do You Create a Gift Annuity?**

We will provide you with a gift annuity illustration and disclosure statement based upon your date of birth, gift amount, payment frequency and one or two life income choice. We will also provide a draft of the gift annuity agreement for review by you and your attorney or financial advisor. When you are ready to pursue this gift, we will help you transfer cash, securities or other property to Children’s Hospital of The King’s Daughters to fund your annuity. The process is short and easy.

All donors who make planned gifts to Children’s Hospital of The King’s Daughters qualify for membership in *The Beth Duke Legacy Society*, our special group of donors who have committed to remembering CHKD as part of their legacy. For more information, please contact our office at 757-668-7070.

*This information is taken from sources believed to be reliable, but is not guaranteed as to completeness or accuracy. You are urged to seek the advice of your financial planner, attorney and/or tax advisor to make certain a contemplated gift fits well into your overall circumstances and planning.*