

## **A Charitable Gift Annuity for the Endowment Fund**

Laying up treasure on earth is not a goal for Christians. Wisely using what we have is. A Charitable Gift Annuity, administered by the Episcopal Church Foundation, enables you to make a substantial gift to Transfiguration now and receive guaranteed income from those assets for yourself or a beneficiary that you name as long as you and/or the beneficiary lives. This is one way to put your treasure where your heart is – in our church - and still take care of your needs and those of your loved ones.

### **What Is A Charitable Annuity?**

The charitable annuity is a contract between you and the Episcopal Church Foundation, which guarantees a fixed amount of return on your gift for life. You can fund your annuity with cash or marketable securities.

### **How Does It Work?**

- You receive an income tax deduction in the year that you establish the annuity for the gift portion of the contract.
- You receive a guaranteed periodic income that is not affected by the fluctuations of the marketplace.
- You receive a portion of your annuity income free of federal income taxes.
- You are generally able to prorate any capital gains taxes over the expected life of the annuity payments.
- You are free from concern about money management.

### **Is there a minimum amount or minimum age to establish a Charitable Gift Annuity?**

The minimum amount required to establish a charitable gift annuity through the Episcopal Church Foundation is \$5,000. The minimum age for a donor is 55.

### **What is the Expected Rate of Return?**

The expected rate of return depends upon whether one or two people will receive income from the gift and upon the age of the recipient(s). For example, the guaranteed rate of return is higher for a 75-year-old donor than for a 60-year-old donor. The annuity rate is based on those recommended by the American Council of Gift Annuities.

### **What Types of Charitable Gift Annuity Agreements are Available?**

There are three types of annuities agreements available.

- **Single Life Agreement** – One person receives payment during their lifetime.
- **Two Life: Joint & Survivor** – Two people receive payment; when one person dies, survivor receives the full amount.
- **Two Life: Successive** – Initial donor receives payment for lifetime until death when second named annuitant, if survivor, receives payment.

Income from the annuity can be paid immediately or can be deferred until a later time. When it is deferred, it is called a **Deferred Payment Gift Annuity** and can be an effective retirement tool. You cannot add to a charitable gift annuity, but you can

establish additional annuity agreements at any time. The annuity is an irrevocable agreement.

**How Do You Start A Charitable Gift Annuity to Benefit Transfiguration?**

Contact the Episcopal Church Foundation toll-free at (800) 697-2858 or visit the website at [www.episcopalfoundation.org](http://www.episcopalfoundation.org), then click the **Planned Giving** link. The Foundation can provide a personal computerized analysis showing your expected income tax deductions and projected income based on the size of your gift and the age(s) of the beneficiary(ies).