



CATHOLIC DIOCESE *of* JACKSON

Strengthen Your Future With a Charitable Gift Annuity

Receive an Income for Life and Save on Taxes

The idea of a **charitable gift annuity** is nothing new, but its benefits will never grow old. In America, the concept dates back to 1843, when a Boston merchant donated money to the American Bible Society in exchange for a flow of payments. Today, a charitable gift annuity can offer tax benefits. But perhaps more valuable than the financial advantages is the satisfaction of helping continue the mission and good works of a charitable organization such as ours.

charitable gift annuity

a contractual agreement between a donor and a charitable organization in which the donor gives assets in exchange for the organization's promise to provide the donor with payments for life.

When you create a charitable gift annuity with us, your donation is divided into two parts: an amount attributable to the charitable gift portion and the amount attributable to your annuity payments. If you itemize deductions on your tax return, savings from the federal income tax charitable deduction of the gift portion reduce your gift's net cost.

If you fund your annuity with appreciated property rather than cash, you benefit even more because you are not responsible for the capital gains tax at the time of your gift. Instead, a portion of your payments will be taxed as capital gain (provided that you are the primary annuitant and the annuity interest is assignable only to the charity).

Understanding Annuity Rates

Based on life expectancy, older annuitants have higher annuity rates. Rates also vary according to the number of annuitants, with rates for two-life contracts often lower because of the extended period of time that payments will likely be made.

Below you will see rates recommended by the American Council on Gift Annuities, which most organizations follow. Check with your estate planning attorney or our representative for current rates and applicable ages for gift annuity eligibility.

ANNUITY RATES: ONE RECIPIENT		ANNUITY RATES: TWO RECIPIENTS			
Recipient's Age	Annuity Rate	Same Age	Annuity Rate	Different Ages	Annuity Rate
60	4.5%	60	4.0%	60/65	4.1%
65	4.8%	65	4.3%	65/70	4.5%
70	5.3%	70	4.8%	70/75	4.9%
75	6.0%	75	5.2%	75/80	5.5%
80	7.0%	80	5.9%	80/85	6.3%
85	8.1%	85	6.9%	85/90	7.5%
90+	9.1%	90	8.6%	90/95+	8.8%

Rates are subject to change. Please contact us for a personalized illustration. If you reside in New York, please contact us directly as your rates may vary slightly.

A Case Study of Benefits

Mary, 75, plans to donate a maturing \$25,000 certificate of deposit to our organization. Because she needs continuing income, she decides to give the cash in exchange for a one-life charitable gift annuity that we will issue at the suggested rate of 6.0%, or \$1,500 per year.

Because Mary itemizes her tax deductions, she earns a federal income tax charitable deduction of \$12,045* (the amount of the \$25,000 donation attributable to the gift portion). With a marginal income tax bracket of 32%, the tax savings of \$3,854 will reduce the net cost of her gift to \$21,146.

*Based on a 3.6% charitable midterm federal rate. Deductions and calculations will vary depending on your personal circumstances.

We want to work with you to create a gift that best fits your circumstances and our needs. To learn more about the benefits of establishing a charitable gift annuity with us, please contact us today.

Contact Us

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