

## LIFE-INCOME GIFTS

# Charitable Gift Annuities



## Make an impact, save taxes and get money back every year of your life

A charitable gift annuity is a way to make a gift to the University of St. Thomas while adding financial security for your future. You make a gift of cash, stock or mutual funds, or retirement savings; in return, we will make fixed payments to you for life. The payment amount never changes, no matter what the economy does or how long you live. After all payments have been made, St. Thomas will receive the remaining value of your gift annuity to support the education of future Tommies and advance the common good.

### Security for yourself or a loved one

You can designate the payments for yourself, for someone else, or for yourself and another person. The amount of each payment will depend on the age of the person who receives the payments. Rates are as high as 9% and based on the annuitant's age at

the time the gift annuity is established.

### A tax-wise gift

Depending upon your gift, you may receive the added benefit of mostly tax-free payments. You will also receive a charitable deduction in the year that you set up the gift annuity.

### Funding with stock

If you own appreciated stock or mutual funds, a gift annuity may be even more attractive. By transferring assets to St. Thomas to fund the annuity, you capture increased tax savings. Some of your capital gains disappear, while some tax on gains can be spread out over years. Whether you fund a gift annuity with cash or stock, you receive an income-tax deduction right away.

### Funding with your IRA

Donors age 70½ or older may make a qualified charitable distribution of up to \$50K to fund a charitable gift annuity.

## GIFT ANNUITY RATES

AGE	ONE LIFE
60	4.9%
65	5.4%
70	5.9%
75	6.6%
80	7.6%
85	8.7%
90+	9.7%

Deferred and two-life annuities also available. Please call for rates.

To find out your specific payment rate and learn more about establishing a charitable gift annuity, please contact:

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Federal Tax ID Number:  
41-0693970

See back for important information about charitable gift annuities.

## Examples

### Immediate gift annuity

**The Donor.** A St. Thomas alum, age 76, decided to cash in a matured certificate of deposit (CD) to supplement his retirement income and benefit St. Thomas.

**The Gift.** He established a gift annuity that would begin making payouts right away, using \$25,000 cash. Based on his age, the gift annuity payout percentage was set at 6.8%, providing him with an annual income of \$1,700 for life. Approximately \$1,082 of this annual income is free from income tax during his life expectancy. He also received a charitable income-tax deduction of \$12,217.25.

Upon his death, the remainder of his gift annuity goes to support St. Thomas.



### Flexible deferred gift annuity

**The Donors.** A couple, age 60 and 63, both working, owned \$100,000 in stock and wanted to use it to create a future source of retirement income and benefit St. Thomas.

**The Gift.** They established a flexible deferred gift annuity using \$100,000 of appreciated stock. Based on their ages and a deferral period that is 10-20 years in the future, their gift annuity payout percentage will be between 8.2% and 15.6%, depending on when they decide to begin taking payments. They also received an immediate charitable income-tax deduction of \$46,091 and will receive quarterly income payments until their deaths. What's left in their gift annuity goes to support St. Thomas. To add more flexibility, the couple could have chosen to split the \$100,000 into multiple gift annuity contracts (for example, five \$20,000 gift annuities) and elect to have income begin at different times.



Donors must itemize their deductions to receive a charitable income-tax deduction.

Charitable giving can result in significant tax, legal and financial consequences. The University of St. Thomas does not provide legal or tax advice. Donors should seek the advice of counsel prior to entering into a gift annuity agreement.

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 University of St. Thomas may be lower than those available through commercial annuities offered by insurance companies and other financial institutions.

**State Disclosures:** 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. Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.