

GIFTS THAT PROVIDE INCOME

A life income plan, using either a Charitable Gift Annuity or Charitable Remainder Trust, allows the donor to make a gift to a fund of the Grant County Community Foundation and receive fixed or variable income payments for life and for the lifetime of a surviving beneficiary. Income payments may begin immediately or may be deferred to a future date. Additional benefits of a life income plan include increasing current income of the donor, avoiding capital gains taxes due on appreciated property, receiving an immediate charitable income tax deduction and removing property from an estate.

Charitable Gift Annuities

A charitable gift that provides lifetime income and support for your community

In today's economic environment, your client may want to consider the many advantages of a gift annuity as a tool to help give back to their community. The concept of a gift annuity has been around for more than a century. The process of establishing a gift annuity is neither lengthy, complicated, nor does it involve any costs. The gift annuity is a basic agreement between your client and the Grant County Community Foundation that will instantly benefit them and eventually benefit their community. The minimum gift size is \$20,000, and the income payments can begin as early as age 65.

The Gift Annuity Will:

Help your client's community

Increase your client's income

Provide a guaranteed fixed income for life

Allow your client to enjoy partially tax-free income

Provide a charitable income tax deduction in the year of the gift

Make payments now or in the future

A Gift That Lives With You

A gift annuity allows your client to make gift of cash or stock to support your community while providing them with a guaranteed income source. Their gift works during their lifetime by paying them a level and partially tax-free income. They can also choose to benefit someone else. For example, income payments can be continued for their spouse or another loved one after their death. Upon the death of the last income recipient, the annuity will support the community as directed.



Current Payment Gift Annuity

Rates for One Life Current Payment Gift Annuity*

Age	Rate	Age	Rate
65	3.7%	80	5.8%
70	4.1%	85	6.8%
75	4.8%	90	8.0%

Rates effective January 1, 2012.

Deferred Payment Gift Annuity

An option that many consider is a deferred payment gift annuity. By deferring your clients guaranteed, fixed annuity payments until at least age 65 or beyond, your client can increase the amount he/she receives each year, while increasing his/her current charitable income tax deduction.

Rates for One Life Deferred Payment Gift Annuity Rates* Number of years Payment Deferred

Age	5 yrs	10 yrs	15 yrs
50	N/A	N/A	6.6%
55	N/A	5.5%	7.2%
60	4.5%	6.0%	8.4%
65	5.0%	7.0%	10.0%

Rates effective January 1, 2012.

Note: The above information is of a general nature and is not intended as legal advice.

Charitable Remainder Trust

A Charitable Remainder Trust is a legal instrument into which your client transfers irrevocably the ownership of assets such as securities or real estate. In return, your client receives an immediate charitable income tax deduction and the right to receive an income. The income payments may be made to your client and/or one or more other loved ones for life or for a limited number of years.

When the trust ends the property remaining in the trust (the charitable remainder) passes to the Grant County Community Foundation to be used according to your client's directions to benefit their community or other favorite charities.

Types of Trusts

Your client can elect to receive a fixed-dollar amount of income called an Annuity Trust. Or, choose to receive a specific percentage of the property in the trust, called a Unitrust. If the value of the property in this type of trust increases, the income will increase. If the value of the property in this trust decreases the income will decrease.



Requirements of Trust

A Charitable Remainder Trust requires a trust document outlining how the trust will operate. A legal advisor should draft this document to assure that it complies with current laws.

In addition, your client may serve as the manager, or “trustee,” of their own trust. However, many Kansans choose to engage the services of a professional trustee to handle the details of managing a Charitable Remainder Trust.

What a Charitable Remainder Trust can do

- Give the satisfaction of making a gift today that will be invested in their community in the future.
- Bypass capital gains taxes on gifts of appreciated assets.
- Provide tax-free growth of assets, increasing the value of your trust.
- Increase your income from low yielding investments or property.
- Provide a guaranteed fixed income.
- Pay a variable income as a hedge against inflation.
- Create an immediate charitable income tax deduction.
- Relieve your client of the burdens of management of their assets.
- Allow additional contributions.
- Reduce estate taxes and settlement costs.

Note: The above information is of a general nature and is not intended as legal advice.

