

## CHARITABLE GIFT ANNUITIES

**A Charitable Gift Annuity offers a way to take care of your financial future . . . as you give to others.**

### **What is a Charitable Gift Annuity?**

A Charitable Gift Annuity is a combination of a gift to charity and a lifetime fixed income agreement. In exchange for your irrevocable gift, a charitable organization agrees to pay a fixed sum each year for life to one or two annuitants you name. In time, the remainder interest in this gift will be transferred to the charitable organization to fund its mission.

### **How does a Charitable Gift Annuity work?**

Assets, including cash, securities, certificates of deposit, or real property are donated in return for a fixed income paid to one or two beneficiaries for life. The amount of the income depends on the schedule of rates offered, the gift size and the age and number of beneficiaries. Assets are held in trust and invested during the income payment period. After all payments have been made for the lives of the beneficiary(ies), the charity will benefit from the remainder of the gift. The assets of the charitable organization back the annuity payments. The annuity amount is fixed and will not change regardless of current investment or market conditions.

### **What are the benefits of a Charitable Gift Annuity?**

- **Personal Satisfaction:** Fulfilling your charitable goals by providing for the future of a favorite charity.
- **Increased current income:** A non-fluctuating income is guaranteed for life by the charitable organization based upon the amount of the gift and age of the income beneficiary(ies).
- **Substantial tax savings:** A variety of tax advantages include a scheduled one-time charitable deduction, tax-free income on a portion of the annuity payment and capital gains, gift and estate tax reductions.
- **Flexibility:** An accounting of your personal financial situation will reveal annuity options best suited to meet your specific needs.

**Goodwill Industries, in cooperation with the Kalamazoo Community Foundation, establishes Charitable Gift Annuities with a minimum of \$ 5,000 for the benefit of individuals 50 years of age or older. The substantial assets of the Kalamazoo Community Foundation guarantee the payments. The funds are held in trust and invested by National City Bank of Michigan/Illinois during the income payment period. The remainder, after all payments have been made, may be designated to a new or existing endowed fund at the Foundation to benefit one or more of your favorite charities forever.**

This information is provided for educational purposes only. Please call Goodwill Industries (616.382.0490) or the Kalamazoo Community Foundation (616 381 4416) for additional information or consult a tax advisor about your specific situation.

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