

## Charitable Gift Annuities

Give more than you ever  
thought possible



Giving through a charitable gift annuity allows you to arrange a generous gift to your community, while providing yourself a new income source you can count on for the rest of your life.

### Leaving a legacy

A charitable gift annuity is a simple way to make a charitable gift to the Community Foundation, while providing you with tax advantages and a fixed income for life for yourself or others you choose. They are easy to create and can be funded with gifts of relatively modest size.

### What are the advantages?

Because payments are fixed over the term of the annuity, regardless of changes in the economy or fluctuations in the markets, they provide you with a stable source of income. Annuities provide an immediate tax deduction for the year in which they are created, and a portion of the income is received tax free for a period of time.

Furthermore, if the annuity is created with a gift of appreciated property — such as stocks or real property — the capital gains tax that would otherwise be imposed upon its sale can be reduced and deferred. Finally, although most donors name themselves as the annuity beneficiaries, you can also choose to name another person — such as a spouse or child — to receive payments with you, instead of you, or following your lifetime for the remainder of his or her life.

### How do I create a charitable gift annuity?

To get started, contact the Community Foundation and ask for an illustration of the specific benefits a gift annuity would provide based upon your date of birth, the amount of your gift and your choice of beneficiaries.

While you don't need the services of an attorney to establish a gift annuity, we encourage you to consult with your legal and/or financial advisors to ensure that a charitable gift annuity is a good fit for achieving your overall financial and estate planning goals.

**We're ready to help you:**

**Call: (517) 272-2870**

**Email: [info@ourcommunity.org](mailto:info@ourcommunity.org)**

**Website: [ourcommunity.org](http://ourcommunity.org)**



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### How it works

- You make a gift to the Community Foundation — you can give cash, appreciated stocks, real estate or other assets.
- We complete a simple agreement with you that sets forth the terms of the annuity payments, which are based upon your age and the amount of your gift.
- You receive an immediate tax deduction for the charitable portion of your gift.
- You will receive a stream of income that is fixed, and not affected by market turbulence.
- A portion of each payment is received tax free for a period of time.
- We handle all administrative details — issuing annuity payments during your lifetime.
- Upon your death the remainder of your annuity account will be placed into an endowment fund of your choosing that is invested over time.
- Endowment earnings will be used to make charitable grants addressing community needs. Your gift — and all future earnings from your gift — is a permanent source of community capital, helping to do good work forever.

### For example:

- Jane, age 75, wants to leave a legacy to support a local charitable organization, but is concerned about her retirement income sources.
- She uses \$20,000 in cash to set up a gift annuity with the Community Foundation with a payment rate of 5.8 percent.
- She receives annual payments of \$1,160 for the rest of her life — part of which is tax-free — and benefits from a first year federal income tax charitable deduction.
- Upon her death, the remainder in her annuity account will be placed in an endowment fund that benefits the local charity.

We are happy to help you explore options for supporting the Community Foundation and local nonprofit organizations. The minimum gift amount is \$10,000 and payments can begin this year or can be deferred. If deferred, your charitable deduction and payments will increase.



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