

**Current Gift  
Annuity  
Rates  
One Life**



Age	Rate
50	3.7%
55	4.0%
60	4.4%
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%
90 and over	9.0%

**Two Life Annuities** are available as well for donors who want payments to extend over the lifetime of themselves and another person (spouse, child or others). These rates are determined based upon the age of both the annuitants and are usually slightly lower than those listed above.

**The Community Foundation's Role**

The Parke County Community Foundation can direct gifts toward a variety of charitable interests and organizations. That's why thousands of Americans choose community foundations as their preferred charitable vehicle.

Donors sometimes face an overwhelming number of organizations and programs searching for funds. For people with a strong sense of community and a personal commitment to making a significant contribution to the communities in which they live, the choices can be especially demanding. The Parke County Community Foundation stands ready to assist donors as they make these important life-decisions.

The community foundation offers a stable yet flexible conduit for donors to fund charitable efforts. This is especially important for individuals who wish to see their charitable goals continue permanently.



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FOUNDATION**

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*Gifts that  
Produce Income  
for the Donor*



## Gifts that Produce Income for the Donor

Life income gifts can be exceptionally advantageous for donors who are approaching, or are already in, retirement. Put simply, these donors want to assure that their favorite charity will be supported forever, but still need to have income from that gift to live on now. A charitable trust or gift annuity is a wonderful way to do both. Here are four examples:

### Charitable Remainder Annuity Trust

The charitable remainder trust pays to one or more beneficiaries a fixed specified sum each year that cannot be less than 5 percent of the initial value of the amount placed in the trust. Funds cannot be added to an annuity trust, but additional trusts can be established.

### Charitable Remainder Unitrust

The unitrust is a charitable remainder trust that provides variable payments to one or more life income beneficiaries. The annual payments, negotiated by the donor and the foundation, are based upon a percentage (at least 5 percent) of the annually redetermined fair market value of the assets in trust. If desired, funds may be added to a unitrust by subsequent gifts. A unitrust can be funded with real property as well as with gifts of cash or marketable securities.



### Charitable Gift Annuity

The charitable gift annuity is perhaps the easiest and most popular way of making a contribution while keeping lifetime income. The charitable gift annuity is attractive to many people because it is a simple contractual arrangement between the donor and the Parke County Community Foundation (unlike a charitable remainder trust, which is a legal trust). The annuity payments are a general obligation of the foundation and thus are backed by all assets of the PCCF.

Charitable gift annuities are usually purchased with cash or marketable securities. The charitable gift annuity pays a guaranteed fixed sum each year for the life of one or more beneficiaries. The Parke County Community Foundation rates follow those recommended for these annuities by the American Council on Gift Annuities. The age of the beneficiary or beneficiaries and the value of the asset used to purchase the annuity affect payment amounts.

Like other life income plans, a gift annuity generates an income tax deduction. Unlike the other life income plans, a gift annuity is treated as part gift and part purchase so that a substantial portion of each year's annuity payment will be treated as tax-exempt income (for the length of the beneficiary's

life expectancy, as determined by IRS tables).

### Deferred Payment Gift Annuity

It is also possible to purchase a deferred payment gift annuity. Payout rates are larger with this plan. An immediate gift is made to the foundation, but payments to the beneficiary start sometime in the future (at least one year later). The income tax charitable deduction generated is larger than the deduction that would be allowable for an immediate gift annuity. The donor claims the deduction in the same year the gift is made, even though the annuity payments do not start until some future time.



As with immediate payment gift annuities, a part of the annual payment will be treated as tax-exempt income for the beneficiary's IRS life expectancy. Deferred payment gift annuities are an excellent way to make a substantial gift, realize current tax savings, and supplement future retirement income. For persons no longer able to deduct contributions to an Individual Retirement Ac-

For Good... For Ever... For Parke County.

Life income gifts can be written for one or two lives; a donor and a spouse, or a donor and another person.