

Lifetime Income AND a Legacy Gift to Westminster? A Charitable Gift Annuity Offers Both

By Mary C. Hess, Director of Legacy Giving

Giving is a wonderful expression of faith, but financial concerns can often hinder one's desire to contribute. For those who want to make a Legacy Gift but also need income, a charitable gift annuity may be a practical solution. A new charitable gift annuity program through the Presbyterian Foundation allows you to receive lifetime income and may also provide immediate financial support to Westminster. This program may give you the satisfaction of witnessing the impact of your gift now, while also providing you with an attractive annual payment.

A charitable gift annuity through the Presbyterian Foundation is a contract between you and the Foundation. In exchange for a gift of \$10,000 or more, the Foundation will pay annual income to one or two persons for life. It can be established to pay lifetime income for another person; for example a spouse, parent, or other loved one. Payments will never vary. In addition, donors are often able to 1) receive favorable tax treatment of the gift annuity payment and 2) claim a portion of the gift amount as a charitable contribution.

For example, a female donor, age 80, can make a \$10,000 cash gift in exchange for a gift annuity that pays her \$720 annually or 7.2%. More than 50% of this income, or \$537, typically will be non-taxable for nine years. Almost \$5,000 could be claimed as a charitable contribution. About 23% of the gift, or \$2,288, may be immediately payable to Westminster¹.

Charitable gift annuity rates through the Presbyterian Foundation range from 5% for someone age 55 to 9.5% for someone age 90+. The minimum age for the program is 55. Younger donors may want to receive income at a later date, such as retirement; for them, a deferred gift annuity is possible.

Example of gift annuity benefits for \$10,000 cash

Nearest age	65	70	75	80	85	90+
Annuity Rate (%)	5.5	5.8	6.4	7.2	8.1	9.5
Total income per year (\$)	550	580	640	720	810	950
Tax-free portion for life expectancy ² (\$)	355	396	447	537	639	771

Charitable contribution for deduction purposes ³ (\$)	2,933	3,705	4,327	4,952	5,647	6,193
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A gift annuity is a contract for your future, as well as the future of Westminster. For more information on rates or an illustration, contact Mary C. Hess, Director of Legacy Giving, at 612-332-3421, or mhess@wpc-mpls.org.

1. The Presbyterian Foundation may, in its sole discretion, reinsure a charitable gift annuity. If it does so, the present value of the charitable remainder will be paid to the beneficiary immediately. If the Foundation does not reinsure a particular charitable annuity, the charitable remainder will be paid at the end of the annuitant's life.
2. If you exceed your actuarial life expectancy, the annuity payment will become fully taxable.
3. Actual amount used for charitable purposes may vary.

“As each has received a gift, employ it for one another, as good stewards of God’s varied grace.” (I Peter, 4:10).