

More Information About Gift Annuities

Charitable gift annuities are a very flexible way to make a gift to a charitable organization. They can be designed to provide a fixed income for life for you and/or others you choose. They are easy to create and can be funded with gifts of relatively modest amounts.

Example for One Person

[Maureen Davis](#) , [70](#) , decides to give \$ [10,000](#) for a gift annuity agreement on September 30, 2020. The payment rate based on age is 4.7%, or \$470 for life. Because of the charitable gift portion of the annuity, there will be a tax deduction of \$3,652 allowed for the year of the gift.

In addition, \$399 of each annual payment will be received free of tax for the first 15.9 years that payments are received.

The amount of the gift annuity is also removed from a donor's probate and taxable estates, in many cases resulting in additional savings.

To summarize, Maureen Davis has:

- Transferred \$10,000 in exchange for an income for life.
- Arranged for payments that will total 4.7% of the gift amount annually, which is \$470 per year.
- Eliminated tax on \$399 (about 85% of the payments) for the first 15.9 years they are received.
- Made a gift that results in an immediate charitable income tax deduction of \$3,652.
- Ensured the amount used to fund the gift annuity will not be subject to estate tax or probate expenses.

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My disclaimer.

Example for Two People

Your rate for a **one-life** gift annuity at age [70](#) will be **4.7%**

Enter age for a second person here ([1/1/1940](#)) and see the **two-life** rate for ages [70](#) and [81](#) . Your rate for a two-life gift annuity will be **4.5%** and your income tax deduction will be \$3,325.

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