

## A Plan That Delivers A **Win-Win**



Income for Life  
Tax Savings  
Philanthropic  
Satisfaction



Connecting people who care with causes that matter

## A Plan That Delivers A Win-Win

There's no need to debate which is better – giving or receiving – because with an Income Annuity you can do both. By making an annuity agreement with the Community Foundation of Volusia & Flagler, you make a gift, increase your income and slice your tax bill all at once.

Here are the prime reasons to consider a charitable Income Annuity:

- Income for life
- Simplicity and flexibility
- Tax savings
- Long term benevolence to the community



*"You can't believe how relieved – how good – we felt when we started doing this. Now we're getting the money back at 9.4 percent because I didn't get any until I needed it. It's guaranteed for life. Isn't that nice?"*

– Gerald & his wife Sara established their first charitable annuity with the Community Foundation in 1996 with \$70,000, and in 2002 began receiving \$6,160 annually.

### Income For Life:

- A secure source of income
- A stable investment
- One or two people receive a smart payout, guaranteed for life.

### Simplicity:

- The agreement is easy to understand
- Donor transfers property, and the charity pays the donor on the agreed schedule
- Amount paid depends on the age of the recipient and annuity rate

### Flexibility:

- The contributed property may be in many forms
- Funds from a maturing CD, appreciated securities or even real estate.
- Payments may be made quarterly, semi-annually or annually for one or two lives
- The donor doesn't have to be an annuitant; the recipients could be relatives or even cherished friends or former employees.

### Tax Savings:

- Receive a tax deduction on much of what you transfer and minimize capital-gains taxes
- Much of your annual payment is a tax-free return on principal
- Part of the income may be considered a tax-free return of principal

### Benevolence:

- Instituting an annuity allows your charitable gift to be more generous
- Annuity creates a longer-lasting and significant contribution

## FREQUENTLY ASKED QUESTIONS

**Can you tell me the exactly how much income this will mean?**

Yes, we can! The rate is fixed for life. The chart in this brochure shows that rates are higher for older persons who receive these fixed income payments. We can provide you with payout rates for two-life arrangements that would extend for both the lifetimes of yourself and the other annuitant.

**It sounds as though setting up an annuity takes a lot of people. Who is involved in the transaction?**

There are four parties to an Income Annuity: First, the donor who transfers cash, securities or other assets to the charity; Second a charity that issues the contract and assumes the obligation to make the annuity payments; Third, the annuitant or annuitants who receive the payments for life.; Fourth, the State Insurance Commissioner, who is charged with the responsibility to regulate gift annuities. Florida's insurance commissioner is Kevin McCarty, and more information about the state's Office of Insurance Regulation can be found at <http://www.floir.com/>.

**Why doesn't all of the cash -- or securities -- I transferred to the Community Foundation count as a charitable deduction?**

Only a portion of the amount transferred for an income annuity qualifies because, if a donor makes a gift to a charity and value is returned to the donor, the gift is described by the U.S. Treasury Department as a "bargain sale." With the transfer of cash or other property to an annuity, the donor receives a deduction for only part of the transfer, since the charity has promised to transfer a value annuity payout back to the donor.

# These Rates Are Just One Reason An Income Annuity is a Win-Win

The following chart shows that rates are higher for older persons who receive these fixed income payments. We can provide you with payout rates for two-life arrangements that would extend for both the lifetimes of yourself and the other annuitant.



### Examples of Single-Life Income Annuity Rates NOT CURRENT

Age of Donor	Rate of Return
60	5.7%
62	5.9%
64	6.0%
66	6.1%
68	6.3%
70	6.5%
72	6.7%
74	6.9%
76	7.2%
78	7.6%
80	8.0%
82	8.5%
84	9.2%
86	9.9%
88	10.6%
90 & over	11.3%

### Important information for your estate-planning advisor:

**Legal Name:** Community Foundation of Volusia & Flagler

**Mailing Address:** 3747 W. International Speedway Blvd., Daytona Beach, FL 32124-1011

**Contact Person:** William W. Ward, Foundation Director • **Phone:** 386.366.9059

**Tax Exempt Number:** 74-06-058135-56C • **IRS 501(c)3 Number:** 59-1099774

For more information, Ward also may be reached at [ward@unitedwayvfc.org](mailto:ward@unitedwayvfc.org)

### ABOUT THE COMMUNITY FOUNDATION

The Community Foundation connects people who care with causes that matter. Established in 1983, the Community Foundation, a division of the United Way of Volusia & Flagler counties, is a tax exempt, public charitable organization. By providing the gateway to giving, we empower charitable individuals to realize their personal philanthropic goals and strengthen our community forever. Satisfy your charitable passion at [www.unitedway-vfc.org](http://www.unitedway-vfc.org).

The Community Foundation Income Annuity is just one example of how charitable planning delivers a win-win plan for philanthropic individuals and the community.

The Community Foundation would be happy to provide you with specific information at no obligation. We will personalize a sample plan for you and provide you with other planning ideas to meet your financial and charitable objectives. To receive a complimentary personalized proposal, please use the reply card attached, which can be mailed to us directly and confidentially, free of charge. Or simply call Bill Ward, Executive Director, Community Foundation at (386) 366-9059 or e-mail [ward@unitedwayvfc.org](mailto:ward@unitedwayvfc.org).

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_ Zip \_\_\_\_\_

Home Phone \_\_\_\_\_

Work Phone \_\_\_\_\_

Date of Birth \_\_\_\_\_

Asset Value \_\_\_\_\_

Cost Basis \_\_\_\_\_

First Payment Date \_\_\_\_\_