

Charitable Gift Annuity

A Charitable Gift Annuity is an easy option that provides you and/or your spouse or beneficiary a fixed sum each year for life, while leaving a permanent legacy after death.



DECADES FROM NOW
you can be there...
An Endowment is Forever

At-A-Glance

- A simple, uncomplicated vehicle for planned giving
- Provides income beginning at age 50 for you and/or your spouse or another loved one
- Offers income and estate tax benefits
- Defers capital gains tax for gifts of appreciated securities

| *knowledge* | *guidance* | *personal service* |

Charitable Gift Annuity

Make an enduring contribution to the Jewish community. Enjoy substantial financial benefits. A Charitable Gift Annuity allows you to do both.



By establishing a Charitable Gift Annuity (CGA) through the Jewish Community Foundation of the Minneapolis Jewish Federation, you will receive a fixed income for life beginning any time after age 50. A portion of the gift qualifies for a current income tax charitable deduction, thereby reducing your taxes now, while the full value of the gift is removed from your estate. In addition, part of the annuity payment may be tax free. The gift annuity may make payments during your lifetime, or may make payments during the lives of both you and your spouse or another loved one. You may also defer the payments from the gift annuity. Ultimately, the remainder becomes the property of the Federation to meet critical community needs.

If you decide to use appreciated securities to fund a CGA, no capital gains taxes are due when the securities are contributed. Instead, a portion of your income from the annuity will be subject to capital gains tax, which will be paid over your anticipated lifetime.

A CGA serves as an attractive alternative to many low yield investments, offers several financial and philanthropic benefits, and provides an enduring contribution to the Jewish community. It offers you:

- A guaranteed annual income, with a portion of it tax free
- A higher payout than many other alternatives
- A current charitable income tax deduction and a reduction in your estate taxes
- The opportunity to make a significant gift to the Jewish community

Example 1: David, age 78, established a CGA with \$50,000 cash. It will pay him 7.6%* for his life in quarterly installments. His gift eventually will benefit the Minneapolis Jewish Federation. Itemized income tax deduction: \$22,391; annual income: \$3,800; how it is taxed: \$2,630 tax free and \$1,170 ordinary income for 10.5 years, then all income is ordinary income; effective annual payout rate: 12.4%.

Example 2: Bruce and Ellen, both age 75, own stock valued at \$50,000, purchased some years ago for \$20,000. They donate the stock to the Minneapolis Jewish Federation to fund a CGA that will pay them 6.3%* for their lives in quarterly installments. Itemized income tax deduction: \$16,529; annual income: \$3,150; how it is taxed: \$816 tax free, \$1,225 capital gains, and \$1,109 ordinary income for 17.6 years, then all income is ordinary income; effective annual payout rate: 9.4%.

*Rates are set by the American Council on Charitable Gift Annuities based on prevailing market conditions. The rate in place when a CGA is established will be used for the duration of the CGA.

ALL INQUIRIES ARE CONFIDENTIAL.

A gift today to the Jewish Community Foundation of the Minneapolis Jewish Federation will allow you to be there for your family, your community, and the Jewish people—whenever help is needed in the future.