EPISCOPAL HIGH SCHOOL

Charitable Gift Annuities

A charitable gift annuity provides fixed payments for life in exchange for a gift of cash or securities to Episcopal. Gift annuities are easy to set up and the payments you receive are backed by the general resources of Episcopal.

A charitable gift annuity could be right for you if:

- You want to maintain or increase your cash flow.
- You want the security of fixed, dependable payments for life.
- You want to save income taxes or capital gains taxes.
- You would like income that is partially tax-free.
- You want to make a generous gift to Episcopal.
- You are considering a gift amount of $XXX or more.
- You are at least 65 years of age.

A Simple Contract

A charitable gift annuity is a simple arrangement between you and Episcopal that requires a one- or two-page agreement. You will incur minimal or no costs to establish the arrangement and no costs at all to maintain it.

Irrevocable Gift

A charitable gift annuity is an irrevocable arrangement. Once you transfer assets in exchange for the gift annuity, you cannot change your mind and get the assets back. This requirement assures that whatever is left of your gift when the gift annuity ends will go to support Episcopal.

Fixed Payments for Life

In exchange for your irrevocable gift of cash, securities, or other assets, Episcopal will pay you a fixed amount each year for life. The amount of the payment depends on the amount donated and the age of the payment recipient.

1. Payments last for your lifetime. You cannot outlive your payments.

2. Payments are predictable. Your payments will not be affected by investment performance or market conditions. You will get the same amount each year.
3. Payments are very secure. They are backed by the general resources of **Episcopal**, not just by the assets you donate.

Tax-advantaged Payments

Part of each payment typically will be tax-free for many years. This tax-free portion makes the payments more valuable than an equal amount of fully taxable income. The amount of this tax-free portion will be greater if you give cash than if you give stock or other appreciated property.

Who Can Receive Payments?

You decide who will get the payments from your gift annuity. Usually, this will be you, or you and your spouse. Alternatively, you can select one or two other people to receive the payments from your gift annuity. For example, you may wish to provide income for parents, a sibling, or a faithful employee.

Payout Rate Depends on Age

The older you are when you make your gift, the greater the payment rate you will receive. If you choose other people to receive the payments from your gift annuity, their ages at the time of your gift will determine their payment rate. Our minimum age for a payment recipient is 65.

Tax Benefits

You will earn an immediate income tax charitable deduction in the year of your gift, providing tax savings if you itemize. The amount of this deduction will depend on several factors. If you cannot use the entire deduction that year, you may carry forward your unused deduction for up to five additional years.

If you give stock or other appreciated property to create a gift annuity, you will pay tax on only a portion of your capital gain in the property. Even better, if you are the payment recipient of your gift annuity, you will be able to report this capital gain in installments over many years. In this case, your capital gain income will replace some of the tax-free portion you would receive if you were to give cash.

By removing the gift assets from your estate, you may also reduce future estate taxes and probate costs. The amount of these savings will depend on the size of your estate and on estate tax law in force at the time your estate is settled.

Assets to Consider

Cash currently held in a savings account, bank CD, or money-market fund makes an excellent funding asset. Usually, a gift annuity will provide you with larger payments than any of these investments.

Securities, especially highly appreciated securities that you have owned for one year or more, are also an excellent funding asset. Giving them to us in exchange for a gift annuity will allow you to unlock their value to increase your cash flow and avoid substantial capital gains tax at the same time.