

*“Each one, as a good manager of God’s different gifts, must use for the good of others the special gift he has received from God”.*  
*(1 Peter 4:10)*

*The examples and information in this brochure are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax and/or legal advisors about proceeding with your estate plan.*

**For more information, call or write:**

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*Giving a Legacy of Faith—  
A Gift to Nurture the Catholic Faith*

# **The Charitable Gift Annuity**



***Giving A Legacy of Faith—  
A Gift to Nurture the  
Catholic Church***

*A gift that continues to give .....*

That is just what a *Catholic Community Foundation* Charitable Gift Annuity does for you and for the ministries of the Church. By making a gift of cash or securities to the Catholic Community Foundation, that gift provides you with a guaranteed annual income for the rest of your life. Your gift also continues to give even after your death. When you make your gift, you also name the ministry that will receive the remaining portion of your annuity at the end of your life. You not only enjoy the giving of a gift, but you also receive significant financial and tax advantages. The ultimate satisfaction comes in knowing you are making an important contribution that will help underwrite the ministry of the Church for decades to come.

**Gifts of \$1,000 or more bring all these benefits.....**

- † **Charitable Gift Annuity rates** may provide you with an annuity payment greater than your assets are now producing.
- † **You gain freedom from investment responsibility.** Once you have made your gift, the Foundation does the rest. You will receive a check in the mail, at a fixed rate, for the rest of your life. (Payments can be made annually, semi-annually, quarterly, or monthly on annuities of \$50,000 or more.)
- † **You get an immediate tax deduction.** The IRS has designated a part of your charitable gift annuity as a tax deduction. Therefore, *if you itemize*, you receive a charitable income tax deduction. If the full deduction cannot be used in the year you make your gift, the unused portion can be carried forward for up to five years.
- † **You save on future taxes.** Because the IRS considers your annuity payments as a return of principal, a portion of such payments is tax-free. *You can avoid some capital gains taxes.*
- † **If you fund your annuity with an appreciated security owned more than 12 months** (*valued more now than when purchased*), you can bypass a portion of the applicable capital gains tax.
- † **You decide which ministry that will ultimately benefit from your gift annuity.** Designate any ministry of the Foundation you choose - a parish, parish school, or any ministry that could benefit from your gift.
- † **You may avoid estate taxes and probate costs.** A charitable gift made now will remove assets from your estate and possibly reduce estate tax and probate costs.

**American Council Gift Annuities Rates**

| One-Life Annuities-Rates* |             | Two-Life Annuities-Rates* |             |
|---------------------------|-------------|---------------------------|-------------|
| <u>Age</u>                | <u>Rate</u> | <u>Age</u>                | <u>Rate</u> |
| 65 .....                  | 5.3%        | 63 & 63-68 .....          | 4.9%        |
| 68 .....                  | 5.5%        | 68 & 68-70 .....          | 5.1%        |
| 72 .....                  | 5.9%        | 72 & 73-75 .....          | 5.4%        |
| 74 .....                  | 6.1%        | 76 & 78-79 .....          | 5.8%        |
| 76 .....                  | 6.4%        | 76 & 80-82 .....          | 5.9%        |
| 78 .....                  | 6.7%        | 77 & 79-80 .....          | 5.9%        |
| 80 .....                  | 7.1%        | 78 & 80-81 .....          | 6.0%        |
| 82 .....                  | 7.5%        | 79 & 80-81 .....          | 6.1%        |
| 84 .....                  | 7.9%        | 80 & 80.....              | 6.1%        |
| 86 .....                  | 8.3%        | 81 & 84 .....             | 6.5%        |
| 88 .....                  | 8.9%        | 85 & 87 .....             | 7.2%        |
| 90 .....                  | 9.5%        | 90 & 90 .....             | 8.3%        |

\*Rates as of February 1, 2009

*How does a gift annuity work?*

Mrs. Muller is 75 years old. She needs to increase her income, but at the same time, she wants to support a specific ministry of the Diocese. Mrs. Muller owns some stock she bought in 1979 for \$4500. Today the stock is worth \$9,000 but she receives a dividend of only 2%, or \$180, a year.

Mrs. Muller decides to give the Diocese of Crookston *Catholic Community Foundation* her stock in exchange for a Charitable Gift Annuity.\* The CCF agrees to provide Mrs. Muller with a guaranteed fixed income for life. Mrs. Muller will receive an annuity payment of \$711 per year (an annuity rate of 7.9%). Of that, \$212 is tax-free. She will also get a charitable tax deduction of \$3,918 on her gift. If she is in the 27% tax bracket, Mrs. Muller will save \$1,058 on her taxes in the year she makes the gift. This means she has increased her income from \$180 to \$711 and saved on her taxes at the same time! More importantly, Mrs. Muller has the joy of knowing her gift is helping fulfill the ministries of Christ and His Church.

\*The above is for illustrative purposes only. Both charitable deduction and tax-free income may vary slightly.

\*A portion of the capital gain is bypassed.