

STEWARDSHIP FOR LIFE

Support the Second Presbyterian Church
Foundation Using a Charitable Gift Annuity
and Receive Payments for Life

YOU GIVE

Your gift through a Second Presbyterian Church Foundation charitable gift annuity is one that will **give life to generations** through making the Gospel message available to people in Memphis, America, and around the world.

AND YOU RECEIVE

You receive **fixed payments for life**. If you are married and choose an annuity on both of your lives, payments continue as long as either spouse lives. You receive an income tax charitable deduction in the year of your gift, and for a number of years a portion of your payments will be tax free.

You also receive the **personal joy** of knowing that your contribution is an investment that will reach a future generation of believers with the **good news** of Christ.



What is a Charitable Gift Annuity?

A charitable gift annuity is an agreement between you and the Second Presbyterian Church Foundation. You make a gift of cash or marketable securities to the Foundation in exchange for fixed payments for the life of one or two people. Payments are established at a rate based on your age(s). Rates are established using the recommendation of the American Council on Gift Annuities (ACGA). Once you and your designee have been fully paid, the Foundation receives the remaining value of the annuity.

What are the benefits?

In addition to guaranteed fixed payments for life, you receive the tax benefits of a charitable deduction and some tax-free income. Also, the amount used to fund your charitable gift annuity reduces your estate for state and federal tax purposes. The payment amount is fixed at the time of the gift and will never fluctuate with changing economic conditions. Your gift and the earnings thereon are held in a separate account for your benefit and in addition your payments are backed by all of the Foundation's assets. Accordingly, your Second Presbyterian Church Foundation charitable gift annuity is secure.



Who can enter into a Charitable Gift Annuity?

Individuals between the ages of 65 and 90 may be issued a charitable gift annuity for one life or two lives. A two-life charitable gift annuity can provide for a spouse, relative, or friend and the payout period begins within 90 days. A one-life charitable gift annuity by a donor for someone other than the donor, such as an aging parent, is a way to make two gifts.

WHO MIGHT BENEFIT FROM A CHARITABLE GIFT ANNUITY?

Persons whose interest income from their CDs or other fixed income has decreased because of low interest rates

Owners of low yield appreciated stock or mutual fund shares that do not want to sell because the high income tax cost on the capital gain will reduce the net investable proceeds

Someone that wants to increase their retirement income in a tax advantaged way

Persons that want to be able to count on receiving a known fixed income that is unaffected by interest rate and or market fluctuations

Those that want assurance that payments to a surviving spouse continue without delay

Someone that wants to provide financial assistance to an elderly parent, sibling or other person in a tax advantaged manner

What gifts can I make?

Cash and appreciated securities are gifts that can be made. Other gifts may be considered, but must be readily marketable assets. The minimum gift is \$10,000.

How often and how much do I receive?

You may choose to receive payments quarterly, semi-annually, or annually. The payment amount is based on the size of the gift, the rates at the time of the gift, and the age(s) of the recipient(s).

How is my gift used?

When the Foundation receives the remaining value of the annuity, those funds are directed to the fund selected by the donor at the time of the gift. The options for the donor include a designated fund or the undesignated fund. The undesignated fund is the permanent endowment, the earnings of which fund the Foundation’s major strategic grants.

THE FOUNDATION HAS GIVEN TO MANY MINISTRY EFFORTS TO DATE*	
World Outreach	\$ 2,578,000
Home Outreach	\$2,610,000
Christian Leadership	\$2,597,000
Donor Advised Funds	\$11,905,000
Total	\$19,690,000

*as of 6/30/15

How do I get started?

After prayerful consideration, contact Vicki Simmons at the Foundation Office at 507-7898, or any Foundation Board member. You will be asked to provide minimal information that will enable a comprehensive explanation of your gift and determine the documents you will receive. All conversations and information are confidential.

Thank you for your participation in the
Second Presbyterian Church Foundation



Foundation Contact Information

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This publication is intended to provide general information regarding charitable gift annuities. It is not intended as accounting, legal or other professional advice. Service and advice from appropriate advisors should be obtained for assistance in planning charitable gifts with tax and other financial implications. The Second Presbyterian Church Foundation does not provide tax or legal advice. We would however, be happy to meet with your advisor(s) to answer any questions they may have.

What do I receive when I enter into a Charitable Gift Annuity?

The amount you receive is based on your age at the time of your gift. The following charts show the amounts persons of different ages will receive.

An example of entering into a gift annuity in 2015 is, if you are married, 75 years of age (spouse 74) and you make a \$25,000 gift to the Foundation to obtain a gift annuity, you will receive guaranteed annual income of \$1,250 (5.0%) as long as either spouse lives. For a number of years after the gift, \$959 of your annual income is tax free. You will also receive a charitable income tax deduction of \$8,900 in 2015.

AGES	YOU GIVE	YOU RECEIVE			
		RATE	ANNUAL INCOME	CHARITABLE TAX DEDUCTION	ESTIMATED TWO-LIFE PAYOUT
64 /65	\$25,000	4.20%	\$1,050	\$5,843	\$28,035
69/70	\$25,000	4.50%	\$1,125	\$7,491	\$24,975
74/75	\$25,000	5.00%	\$1,250	\$8,900	\$22,500
79/80	\$25,000	5.60%	\$1,400	\$10,540	\$19,740
84/85	\$25,000	6.60%	\$1,650	\$11,765	\$17,820

Or, if you are single, age 80 and in 2015 you make a gift of \$25,000 to the Foundation to obtain a charitable gift annuity, you will receive guaranteed annual income of \$1,700 (6.8%) for as long as you live. For a number of years after your gift, \$1,355 of your income is tax free. You will also receive a charitable income tax deduction of \$12,270 in 2015. A chart showing the amount single persons of different ages receive follows.

AGE	YOU GIVE	YOU RECEIVE			
		RATE	ANNUAL INCOME	CHARITABLE TAX DEDUCTION	ESTIMATED ONE-LIFE PAYOUT
65	\$25,000	4.7%	\$1,175	\$8,078	\$24,675
70	\$25,000	5.1%	\$1,275	\$9,752	\$21,675
75	\$25,000	5.8%	\$1,450	\$11,066	\$19,430
80	\$25,000	6.8%	\$1,700	\$12,270	\$17,340
85	\$25,000	7.8%	\$1,950	\$13,956	\$14,820

Examples are based on the applicable rates in effect at the time of publication.

Remember the guaranteed annual income you receive is for life and will not change. You receive this income and support Christian outreach ministries through the Second Presbyterian Church Foundation.

Frequently asked questions about Charitable Gift Annuities

If I make a gift to fund a charitable gift annuity, can I withdraw the funds later?

No. A charitable gift annuity must be a permanent transfer of money or securities in order to qualify for the attractive tax and other benefits you receive.

Do the income payments received fluctuate with the stock market or interest rates?

No. The income payment amount is set when the gift is made and it never changes.

How often will I receive income payments?

Your income payments on gifts under \$100,000 will be received quarterly, semi-annually, or annually, which ever you prefer. Monthly payments may be received on gifts of \$100,000 or more.

If I use securities that have increased in value to fund the gift, do I avoid tax on the gain?

You avoid capital gains tax on the portion of the gain considered a charitable gift. The rest of the capital gain will be spread over your life expectancy. Please note, however, that your annual annuity income is based on 100% of the value of your gift—not the after tax value of the securities donated.

Can a gift annuity be a trusted way to provide income to a surviving spouse?

Yes. Couples use charitable gift annuities to know that their spouse will receive income as long as they live.

Can I arrange for income payments to someone other than a spouse?

Yes. Income payments from a charitable gift annuity can be beneficial to an elderly parent or friend.

Can a charitable gift annuity for one beneficiary be changed to another person?

No. The person or persons receiving income must be decided at the time the gift is made. Of course multiple gifts can be used to provide gifts to others you may want to support.

If you would like to discuss these matters further, please contact Vicki Simmons
at (901) 507-7898 or vicki.simmons@2pc.org