

Charitable Gift Annuity

A Charitable Gift Annuity is an irrevocable gift between you and the Community Foundation of Tampa Bay, who will administer the annuity for Academy Prep Foundation. In exchange for your gift, the Community Foundation agrees to pay you, or someone you name, a fixed payment for life. After the lifetime of the annuitant(s), the charitable remainder interest in the gift becomes available for Academy Prep Foundation. The difference between a deferred gift annuity and a charitable gift annuity is that the payments to the annuitant are deferred for at least a year after the gift is made.

This information is intended to provide an overview of the uses of a charitable gift annuity. It is to the best benefit of donors to discuss specific details of their estates and estate plans with their trusted financial advisor. Academy Prep Foundation would be pleased to assist you as you consider the charitable dimension of your long-range financial plans.

How it Works

- You make a gift of cash or securities.
- Minimum gift of \$10,000. No additions, but you may establish additional gift annuities.
- Designate up to two other people (yourself and another or any other two people) to receive the fixed payments.
- In most instances, the amount of the payment is determined by your age when the gift is made.
- With deferred gift annuities, annuity payments are at a rate higher than those for immediate payments; the longer the interval between gift date and first payment date, the higher the annuity rate.

Benefits

- Fixed payment for life.
- For cash gifts, a portion of each payment is potentially tax-free over the estimated life of the annuitant.
- Potential charitable contribution deduction for the year gift is made.
- Capital gains on gifts of appreciated securities are usually not fully reportable in the year the gift is given. In most circumstances, the reportable portion of capital gains is prorated over your life expectancy if you are an annuitant.
- Turn non-income-generating assets into a regular income stream.
- Following the lifetime of the annuitant(s), the charitable remainder interest remains for Academy Prep Foundation to expand and strengthen its programs for years to come.

SAMPLE CASE STUDY *The following is an example of a way to remember Academy Prep Foundation through an annuity. As with other estate plans, seek the advice of your financial advisor.*

■ **Dr. Klein**, a child of a 75-year-old parent, established a \$15,000 Charitable Gift Annuity that will pay supplemental income to his father. The annuity provides \$1,290 annually to his parent. The charitable portion is \$5,977 which saved Dr. Klein \$1,673 in income tax (28% bracket).*

*Based on calculations in effect at the time of printing and subject to change.
The charitable portion of your gift will be determined as of the date of the gift.