



A Charitable Gift Annuity is a truly great way to make a gift to Baptist causes and provide you and your spouse an income for life.

If you are looking for a permanent and generous investment return, a creative tool to make a significant charitable gift, or a tax-advantaged way to use appreciated assets, then a Charitable Gift Annuity may be for you.

## The Baptist Foundation Can Help!

The Foundation staff stands ready to help you consider the advantages of a Gift Annuity and provide you with a sample Gift Annuity Agreement for review by your personal, legal, and financial consultants. Feel free to call us at the numbers listed below.

The purpose of this brochure is to provide helpful information of a general nature. It is not intended as a source of specific legal or tax advice. Portions of the text are adapted from Crescendo, Inc. Used by permission.



## Charitable Gift Annuity



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## What is a Charitable Gift Annuity?

A Charitable Gift Annuity is a financial agreement between you and The Baptist Foundation of California. When you transfer your cash or appreciated property to the Foundation, we agree to pay you income for the rest of your life. Based on your age at the time you make the agreement with us, your payment will be fixed, which means that your income will never change.

Payments can be disbursed monthly, quarterly, or annually and may begin as early as three months of establishing the annuity. When you pass away, any balance remains with the Foundation and Baptist causes you may designate in the annuity agreement.

## Benefits Of A Gift Annuity

1. When the gift annuity is established, you receive a tax deduction for a portion of the donation.\*

2. If appreciated assets are used to establish the gift annuity, you will enjoy a reduction in the capital gains tax normally paid when appreciated assets are sold.

3. A portion of the income provided from the gift annuity will be tax-free for a number of years, based on your age.

4. The Lord's work will benefit from any remaining principle at the time of your death.

\*The tax deduction you will be able to realize is dependent upon your income level and regular charitable giving. The tax code treats gifts of appreciated assets differently than gifts of cash. Consult your financial advisor about the level of deduction you can realize.

## Gift Annuity Examples

### The Gibsons

Ken and Dorothy Gibson established a gift annuity with The Baptist Foundation of California using \$50,000 cash. The Foundation and the Gibsons decided on an annuity rate of 5.2% based on their ages of 70 and 75. The Foundation will make annual



payments to the Walkers in the amount of \$2600 per year. The Gibsons will receive an income tax deduction of \$17,300 in the current year. If they are not able to take the entire deduction, they can carry the deduction forward for up to five years.

At the end of their lives, their agreement directs that a portion of the funds remaining in their annuity account be given to enhance the ministries of their local church.\*\*

### Mrs. Alvarez

Anita Alvarez and her late husband purchased stock for \$100,000 several years ago. When she established the gift annuity, the stock had grown in value to \$500,000.

Mrs. Alvarez wanted to maintain a fixed income from the asset without having to sell the stock and pay exorbitant capital gain taxes. To accomplish this, she donated the stock to The Baptist Foundation of California to establish a gift annuity. At 88 years of age, Mrs. Alvarez's annuity rate was 8.9%, providing her with a quarterly payment of \$11,125. Mrs. Alvarez avoided a significant tax bill she would have paid had she sold the stock outright. She also received a tax deduction of nearly \$301,000 in the year the annuity was established.

When Mrs. Alvarez passes away her love for missions will continue as a portion of the funds remaining in the annuity account will be given to the California Southern Baptist Convention.\*\*

\*\*These fictitious examples are for illustrative purposes only. Your individual rates and tax deductions may vary.