

Charitable Gift Annuities

Of all the life income gifts available, charitable gift annuities may be the easiest to complete. A charitable gift annuity is a simple contract between you and Spectrum Health Foundation. In exchange for your irrevocable gift of cash, securities or other assets, Spectrum Health Foundation agrees to pay one or two annuitants a fixed sum each year for life. The older the designated annuitants are at the time of the gift, the greater the fixed income Spectrum Health Foundation can agree to pay. In most cases, part of each payment is tax-free, increasing after-tax value.

Income is set when you make your gift so you know upfront how much to expect. Payments may be made annually, semiannually, or quarterly. A charitable gift annuity may be funded with a gift of \$10,000 or more and the minimum age to begin receiving income payments with Spectrum Health Foundation is 55. After death of the last annuitant, the balance remaining in your gift annuity is given to Spectrum Health Foundation.

For even greater income, you may defer your income payments from a charitable gift annuity to anytime after you turn 65. Donors often establish a charitable gift annuity to receive an immediate tax deduction and defer receiving the income from the annuity until later, supplementing retirement income. You may fund your charitable gift annuity with appreciated securities; when you contribute appreciated but low-yielding assets, you put the entire amount of your gift to work earning income for you. Only a portion of your capital gain will be reportable and the tax will be spread out over your annuity payments during your life expectancy.

Charitable gift annuity payment rates are based upon a variety of factors – your age and payment rates determined by the American Council on Gift Annuities. The actual benefits may vary depending on the timing of your gift.

How do you create a Gift Annuity?

We will provide you with a gift annuity illustration and disclosure statement based upon your date of birth, gift amount, payment frequency, and one or two life income choice. We will also provide a draft of the gift annuity agreement for you, your attorney and financial advisor to review. When you are ready to pursue this gift, we will help you transfer cash, securities or other property to Spectrum Health Foundation to fund your annuity. The process is short and easy. After your gift is complete you will receive complete tax information to support your deduction.

For more information visit our website at give.spectrumhealth.org/plannedgiving.