



# Charitable Gift Annuity

## What is it?

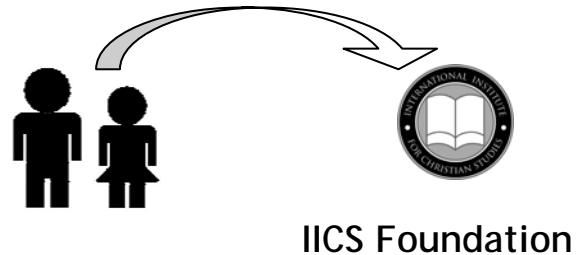
A charitable gift annuity (also known as a CGA) is a giving vehicle that enables you to give to IICS and receive back fixed annuity payments for life. It is part gift and part annuity. When you establish a CGA:

- ◆ ***IICS will receive*** either an immediate or future gift\*,
- ◆ ***You will receive:***
  - A tax deduction on a portion of your contribution in the year the gift is made, and
  - Regular, fixed annuity payments for life.

The IICS Foundation, a component fund of the Servant Christian Community Foundation (SCCF), and The National Christian Foundation (NCF), with whom SCCF partners, can help you establish a CGA. The CGA will actually be a contractual agreement between you and The National Christian Foundation.

## How it works.

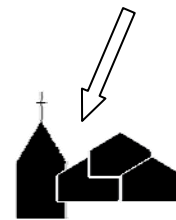
1. Husband and Wife apply for a CGA with NCF. They make a gift (cash or appreciated securities) to fund the CGA, resulting in tax savings in the year of the gift.



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**Annuity Payments**

2. Husband and Wife receive fixed, periodic payments – partially tax-free – for the rest of their lives. (They may choose to receive quarterly, semi-annual or annual payments immediately or deferred.)



\$\$\$ Gift to IICS

3. The IICS Foundation releases funds from the CGA to support God's work through IICS.

\*NCF may choose to reinsure its CGAs. If NCF reinsures the CGA, the gift to charity – which is normally not available to charity until the annuitant's death when annuity payments cease – will be available for charity at the beginning of the CGA, in today's dollars, rather than at the end. For more information on charitable gift annuities through SCCF, call (913) 310-0279 or visit [www.servantchristian.com/cga](http://www.servantchristian.com/cga).

## **Benefits of opening a CGA through IICS and SCCF**

- Immediate tax deductions. You generally qualify for an immediate tax deduction for your contributions into your CGA.
- Annuity payments. A CGA provides fixed annuity payments for life with rates generally higher than CDs. A portion of the income is tax-free.
- Stability. IICS and SCCF partner with NCF, who has an extremely careful and prudent investment policy that provides maximum security for all of the CGAs they issue. Their CGAs are typically reinsured.
- Flexibility. You can use a single CGA contract to recommend grants to multiple charities and not just IICS. And unlike a trust, you may establish a CGA without a lawyer, though it's always a good idea to consult with your professional advisor(s) first.
- Christian values. In establishing a charitable gift annuity through IICS and SCCF, you can rest assured that your gift will ultimately be directed to ministries and charities that operate in accordance with Christian values.

## **Types of Charitable Gift Annuities available through IICS and SCCF**

- Single-life CGAs (for one person)
- Two-life CGAs (for two people)
- Deferred CGAs (for deferred income payments)
- *NOTE: The minimum amount to start a CGA through IICS is \$10,000.*

## **Your annuity payment**

We use rates recommended by the American Council on Gift Annuities. Payout rates increase with age and with the length of deferral. The payment amount depends on four factors:

- The amount of your gift
- Your age at the time of gift
- Whether the payments begin immediately or are deferred
- Whether the CGA is a 1 or 2 life annuity

Based on these factors, the payout rate is set at the time of your gift and the annuity payment received will be the same for the remainder of the 1 or 2 lives.

## **The amount IICS will receive**

A CGA's recommended annuity rates are computed using the assumption that "on average" approximately 50% of the initial gift amount will remain for IICS when the annuitant dies (if the annuitant lives just to life expectancy). If the CGA is reinsured, the 50% assumed remainder value (future value) is discounted back to today's dollars (present value) and made available to IICS today.

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