Deferred Gift Annuities

As rate charts reveal, gift annuity rates are higher for older individuals. As a result, gift annuities are generally most attractive to persons in their retirement years.

If you are still employed and are planning for your retirement, or you do not need additional income now, you might want to consider an option known as a deferred gift annuity. With a deferred gift annuity, you transfer funds to Greenpeace Fund, Inc. today and receive an immediate income tax charitable deduction while payments to you actually begin at a future date you specify.

Example for Two People

Jane, age 69 and 49 respectively, are still in their peak earning years and what they believe will be their highest tax bracket. They had planned to include a significant charitable gift as part of their estate plans. They also wish to assure they will enjoy adequate retirement income in the future.

Jane decide to transfer $50,000.00 to fund a deferred gift annuity agreement that will make payments to them starting on 5/1/2027. They receive an income tax charitable deduction of over $32,000 this year, which helps offset income taxes today. When annual payments begin, they will be 8.9% of the amount donated, or $4,450. The payments will continue for both of their lifetimes.

Jane plan to create another deferred gift annuity each year until retirement. They are thus able to make substantial and much appreciated charitable gifts while they help build future economic security using funds that they had already planned to eventually leave to charity through their estate.

- Amount transferred to charity - $50,000
- Annual payments beginning at on 5/1/2027 for life in the amount of $4,450
- Immediate income tax charitable deduction - $32,228

The assumed date of transfer for this example is October 16, 2018. This example has used the October 2018 IRC Section 7520 discount rate of 3.4% to optimize the charitable deduction.

NOTE: This calculation is provided for educational purposes only. The type of assets transferred, the actual date of the gift, and other factors may have a material effect on the amount or use of your deduction. You are advised to seek the advice of your tax advisors before implementing a gift of this type.

See questions & answers about deferred gift annuities

Greenpeace Fund, Inc. is registered with the Internal Revenue Service as a 501(c)(3) entity and promotes Greenpeace’s mission through public education and grants to other environmental organizations. Contributions to Greenpeace Fund, Inc. are tax-deductible. Greenpeace Fund, Inc.’s Tax ID number is: 95-3313195.

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