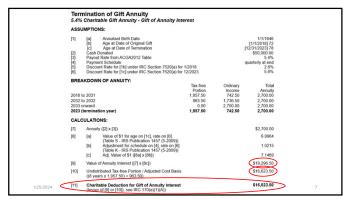




Example: Charitable Gift Annuity

- In 2018 donor contributed \$50,000 cash in exchange for Charitable Gift Annuity paying \$2,700 annual annuity for lifetime of a 72-year-old
- \$21,632 charitable deduction (investment in contract = \$28,368)
- \$1,958 of each annuity payment = tax free recovery of investment in contract during first 14.5 years (life expectancy)
- At the end of 2023, the annuitant irrevocably assigns the annuity to charity, terminating right to future annuity payments
- \$16,624 charitable deduction in (unrecovered investment in contract)

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Example: Charitable Remainder Unitrust

- In 2018 donor contributed \$500,000 to fund a Charitable Remainder Trust paying 5% per year for the lifetime of a 72-year-old
- \$277,535 charitable deduction
- At the end of 2023, the trust principal has grown to \$532,000 when the income beneficiary irrevocably assigns the income interest to charity, terminating right to future payments
- \$196,989 charitable deduction

5%	Charitable Remainder Unitrust	
ASS	UMPTIONS:	
[1]	Beneficiary Age Date of Gift	[1/1/1946] 78 12/31/2023
[2] [3]	Principal Value Payout Rate	\$532,000.00 5%
[4]	Payment Schedule	quarterly 3 months to 1st paymen
[5]	Discount Rate under IRC Section 7520(a) for 12/2023	5.8%
CAL	CULATIONS:	
[6]	Adjustment factor for schedule on [4], rate on [5] (Table F - IRS Publication 1458 (2010CM))	0.965496
[7]	Adjusted unitrust payout rate ([3] x [6]) (Reg. 1.664-4(e)(3))	4.8275%
[8]	Remainder factor for values on [1] and [7] (Table <u>U(1)</u> - IRS Publication 1458 (2010CM))	0.62972
[9]	Value of Remainder Interest ((2) x (8))	\$335,011.04
[10]	Value of Life Interest ([2] - [9])	\$196.988.96

