CHARITABLE GIFT ANNUITIES

SECURE INCOME FOR A LIFETIME

PHILANTHROPY PORTFOLIO

The Columbus Foundation offers a cost-effective way for donors to improve the community while providing lifetime income for themselves and another beneficiary, increasing spendable income, eliminating investment concerns, and potentially receiving a charitable income tax deduction.

A CHARITABLE GIFT ANNUITY is a contract between the donor and The Columbus Foundation. It gives the donor the opportunity to make a charitable gift and secure a stream of income for life.

Under this contract arrangement a donor transfers assets, cash, or securities to The Columbus Foundation in exchange for a commitment by The Columbus Foundation to the donor (and a second annuitant, if the donor chooses to provide) of a fixed and guaranteed payment for the remainder of the donor's lifetime(s). The total annual payment, which can be paid monthly, quarterly, semiannually, or annually, does not change once established. Upon the death of the donor and the second annuitant (if one was designated), the remaining principal is retained by The Columbus Foundation to carry out the donor's charitable intentions.

Payment rates for gift annuities are established by the American Council on Gift Annuities and are based upon the annuitant(s) age(s) at the time of the gift. The older the annuitant, the higher the rate. Sample rates from the Council on Gift Annuities, which are available at The Columbus Foundation, appear on page two.

The Columbus Foundation has established $10,000 as the minimum amount and 60 as the minimum age to enter into a gift annuity contract. Contracts will be written for a maximum of two persons. The amount of the lifetime payment to the donor (based on the annuity rate) is agreed upon between the donor and The Columbus Foundation after reviewing the Council on Gift Annuities rates.

The Charitable Gift Annuity has components of both a charitable gift and a financial investment. The gift annuity transfer, therefore, entitles the donor to a charitable income tax deduction for the actuarially determined value of the gift amount of the contract.

By making plans now to provide for the community through a Charitable Gift Annuity, you will become a member of The Legacy Society, which was created to recognize those who plan to make a future gift.

EXAMPLE:

Elizabeth contributes $100,000 in cash to The Columbus Foundation to establish a Charitable Gift Annuity. Based on her age of 75 and a federal discount rate of 5.8 percent, she will receive an annual annuity at a rate of 7 percent, or $7,000 ($100,000 x 7 percent) each year for life.

A question often asked is, “Do I pay income tax on the annuity payment that I receive?” Yes, but a portion of each annuity payment received throughout the period of the donor’s life expectancy is tax free as a return of principal during the projected life expectancy of the donor. The entire annuity payment becomes taxable if the annuitant outlives the donor’s life expectancy.

If the property transferred to The Columbus Foundation is appreciated property, part of the payment represents capital gains and should be reported as capital gains by the annuitant. The gain, however, is pro-rated over the donor’s life expectancy. The Columbus Foundation, as the issuer of the annuity, will provide the annuitant(s) a year-end 1099-R showing how the income received is to be reported for tax purposes.

DEFERRED INCOME

Donors who wish to establish a commitment to the community now, but want to defer receipt of income from the annuity contract, can make arrangements for a deferred payment gift annuity. As described earlier, part of the contract is a gift and part is a financial investment. Since the community will benefit from the interest earned on the transferred property during the period that payments are not being made, the charitable gift portion of the deferred gift annuity contract is larger, thereby increasing the size of the charitable deduction.

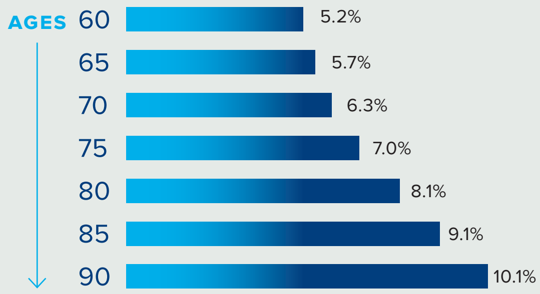
Whether the donor chooses to set up an immediate or deferred payment Charitable Gift Annuity, the assets of The Columbus Foundation stand behind the guaranteed fixed annual payment.

The Columbus Foundation assesses an annual administration fee of 0.5 percent on each gift annuity contract in order to cover the cost and risk of administering gift annuities.

Should you wish to investigate Charitable Gift Annuities as a life income and deferred giving option, please contact The Columbus Foundation.

COUNCIL ON GIFT ANNUITIES RATES

ONE ANNUITANT RATE OF ANNUAL INCOME:



The rate schedule published above became effective on January 1, 2024.

The tax consequences for each donor depends on the age and number of the annuitant(s), the relationship of the annuitants, if more than one, the type of property transferred, and other considerations. For advice and assistance in specific cases, prospective donors should obtain the services of an attorney or other professional advisors.

The federal discount rate is used to determine the charitable deduction for many types of planned gifts, such as charitable remainder and lead trusts and gift annuities. The rate is the annual rate of return that the IRS assumes the gift assets will earn during the gift term. The IRS discount rate is published monthly.

ABOUT THE COLUMBUS FOUNDATION

The Columbus Foundation serves thousands of individuals, families, and businesses that have created unique funds and planned gifts to make a difference in the lives of others through the most effective philanthropy possible. The Columbus Foundation is **Your Trusted Philanthropic Advisor** and is among the top 10 largest community foundations in the United States.

WE’RE HERE TO HELP!

Learn more about The Columbus Foundation and Administrative Fees by visiting us online at *columbusfoundation.org*. Please contact one of our Donor Services advisors by calling 614/251-4000 or emailing *donorservices@columbusfoundation.org*.