

## How to Make a Gift Annuity

A cash gift is an excellent way to fund a gift annuity. A large portion of the annuity income will be tax-free.

## Appreciated Securities

Capital gains tax may be bypassed on a gift of appreciated securities to fund a gift annuity. Payouts can be high depending on age. A portion of the income stream will be taxed at the lower capital gains rate and another portion may be tax-free.

## Real Estate

Highly marketable real estate may be gifted to bypass capital gains tax and provide fixed income for life. Income may include capital gains and tax-free amounts.

Please contact us to discuss payment options for your gift annuity.

**All inquiries should be addressed to:**

*Alice Lloyd College  
100 Purpose Road  
Phone: (606) 368-6039  
Fax: (606) 368-6210  
www.alc.edu*

Please send me Charitable Gift Annuity (CGA) information, including a no-obligation proposal stating current rates, income, and tax benefits. I am considering placing \$ \_\_\_\_\_ cash in a charitable gift annuity with Alice Lloyd College that will provide annual payments for one or two persons (please check one of the following:)

a single-life CGA that will generate lifetime payments to a person born on: (DOB) \_\_\_\_ / \_\_\_\_ / \_\_\_\_

a two-life CGA that will generate lifetime payments to the first person born on: (DOB) \_\_\_\_ / \_\_\_\_ / \_\_\_\_ or the second person born on: (DOB) \_\_\_\_ / \_\_\_\_ / \_\_\_\_ with payments continuing to the survivor for his/her lifetime.

Alice Lloyd College will manage the CGA funds and become the beneficiary at the end of the annuitant lifetime.

I prefer payment be made:

quarterly  semi-annually  annually

I would like information about directing the remainder annuity funds toward establishing a permanent Endowed Scholarship to benefit the College and students in future years.

I am considering funding my gift annuity with appreciated securities. I originally purchased these securities at a cost of:

\$ \_\_\_\_\_

I estimate that the current market value now is:

\$ \_\_\_\_\_

My Name \_\_\_\_\_

DOB \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Spouse \_\_\_\_\_

DOB \_\_\_\_ / \_\_\_\_ / \_\_\_\_

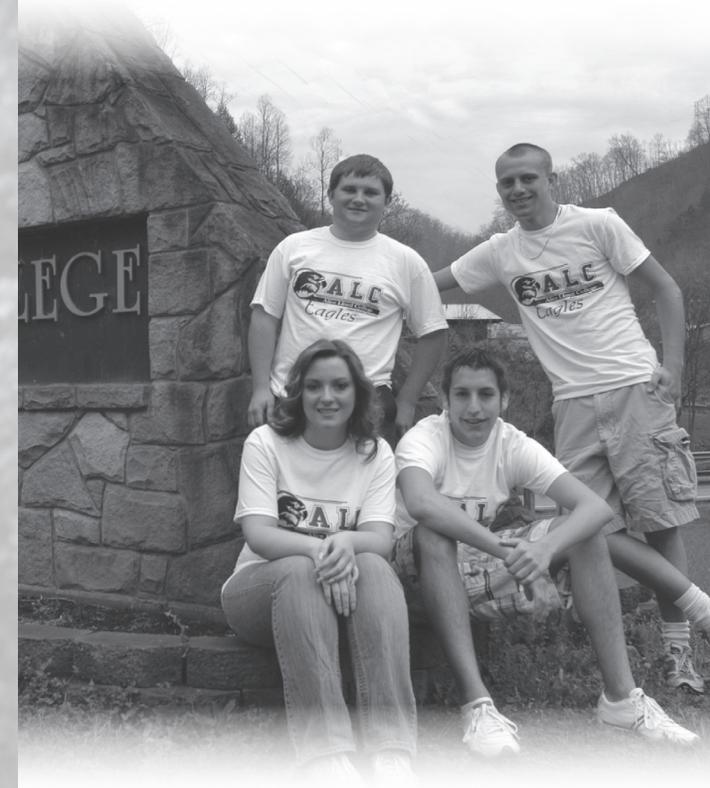
Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

E-mail \_\_\_\_\_

Phone \_\_\_\_\_

# A Guide to Gift Annuities



**Alice Lloyd**  
**COLLEGE**  
*Providing Leadership for Appalachia*

## What are Gift Annuities?

Are you looking for secure sources of fixed income for now or future retirement? If you are like many individuals who own appreciated securities and personal residences, you are tired of living at the mercy of the fluctuating stock and real estate markets. You recognize that if you sold your appreciated assets you would face a high capital gains tax. Also, you want to make investments that are secure today and in the future.

There is a solution, a plan that provides you with fixed income for life, avoids capital gains tax and leaves a lasting gift to our organization. This plan is a charitable gift annuity.

A charitable gift annuity is a contract between you and Alice Lloyd College... Best of all, you will receive a charitable deduction for the value of your future gift to us – plus the satisfaction of helping Appalachian students who are working toward a college education and a better way of life!

### Gift Annuity Options

*There are excellent options for establishing a charitable gift annuity. For current income, you may transfer property for a fixed income beginning as early as this year. Perhaps you are not ready to begin receiving income until a fixed retirement date. You can establish a deferred gift annuity, take your charitable deduction and then plan to receive payments at a designated future date. A deferred gift annuity also offers the option to establish the gift annuity now and take a current deduction while maintaining a flexible future retirement date.*

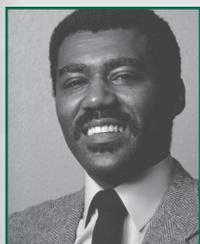
#### Current Gift Annuity Donor

Elizabeth purchased stock years ago for \$2,000. The stock appreciated substantially to \$20,000. Elizabeth was nearing retirement and seeking a secure source of future income. Because of the fluctuating markets, she desired to sell her stock. However, she wanted to avoid paying high capital gains taxes. She hoped to make a significant gift this year. Elizabeth called our organization and discovered that she could transfer her stock in exchange for over 5% fixed annuity payments, based on her age. Elizabeth could begin receiving income now, take a current charitable deduction and avoid capital gains tax on the gift. Best of all, a portion of her income would be tax-free. Elizabeth decided to transfer her appreciated stock in exchange for the gift annuity and was delighted with the resulting fixed lifetime payments.



#### Deferred Gift Annuity Donor

David was an executive in resort management. He recently sold a rental property and was looking to invest the \$50,000 cash proceeds from the sale. He enjoyed the challenge and responsibility of his job and was not ready to retire, but was interested in investment options that would provide income for the future. David wanted to make a special gift to help us further our work. Then our gift planner told David that a deferred gift annuity would meet his goals. David could fund a deferred gift annuity and receive an immediate charitable tax deduction. He could begin taking payments at a fixed date in the future or be flexible with his retirement date. David decided to set up the deferred gift annuity and received an immediate charitable tax deduction.



*Please note: The name and image above is representative of a typical donor and may or may not be an actual donor to our organization. Since your gift annuity benefits under federal rules may be different from this example, please contact us for your benefits.*