

Questions & Answers

ABOUT GIVING FOR INCOME

A Flexible Way to Give ... and Receive

Working diligently to accomplish your goals can require careful planning; however, the rewards make the effort more than worthwhile.

For some, enjoying additional financial security while making a meaningful charitable gift may seem like contradictory goals. You may be surprised to learn there are actually a number of ways to support your charitable interests while also providing a stable source of income and other financial benefits for yourself or loved ones.

Answers to Frequently Asked Questions

Q. How do you “give” for income?

A. Charitable gifts that provide you with income can be made in several ways. One popular option is to make a charitable gift while retaining a fixed income.

With this type of gift, the amount of income you receive is determined at the time you make your gift and remains the same. This option is particularly attractive for those who wish to plan on a definite amount of income that will never change.

Another option allows you to make a gift that provides income that varies over time. In this case, the income you or a loved one receives fluctuates each year depending on the performance of the plan's investments. This option provides an opportunity for growth in income over time.

Q. How much will my payments be?

A. Payments are usually in the 5-9% range, depending on your age, the type of gift plan and other factors. We will be happy to provide you with an illustration outlining your benefits.

Q. How long will I receive payments?

A. Income can continue for your lifetime and/or the lifetime of a loved one. Or, in some cases, you may specify that the payments continue for another period of time you determine, up to 20 years. When payments are no longer needed or end, the remaining funds are devoted to charitable use.

Q. Is it possible to use the income to make charitable gifts?

A. Certainly. You may direct that a portion of your payments be used to make your charitable gifts each year. Or you may choose to make gifts only in years when you do not need the additional income.

Q. What assets can I use?

A. You may fund your gift using a variety of assets—cash, stocks, bonds, mutual funds, real estate or other appropriate property.

Q. Are there any tax benefits as a result?

A. Yes. You will enjoy a generous income tax deduction and other tax benefits as well. Assets such as securities that have increased in value may be the best choice. In this case, your income tax deduction is generally calculated using the full fair market value of the property at the time you make the gift. You also bypass capital gains tax.

Q. What if I have personal financial obligations to meet?

A. A gift that results in additional income for you or a loved one may allow you to make meaningful gifts and, at the same time, help you achieve personal goals, such as:

- **Providing for educational expenses.** You can fund educational needs for a child or grandchild now or in the future while making a charitable gift and enjoying immediate tax savings.
- **Supplementing retirement funds.** You can supplement other retirement income while also providing for a future charitable gift.
- **Pre-retirement planning.** If you are not yet retired, you can postpone payments until retirement, when the income and your need for it may be greater. You still enjoy immediate tax savings.
- **Taking care of loved ones.** If you want to provide financial support for a spouse, parent, child or other dependent, you can arrange for regular payments that add to a surviving loved one's financial security.

Conclusion

We will be happy to help you explore ways you can give through a life income gift plan and provide additional information to you or your advisors.