

## Charitable Gift Annuity Example

Sam Jones, age 77, makes a gift of \$25,000 to the Baptist Retirement Homes Foundation to establish a charitable gift annuity. Mr. Jones qualifies for a charitable gift annuity rate of 7.4% based on his age. As a result of his gift, Mr. Jones will be able to claim a charitable tax deduction in the year of the gift of just under \$12,300 and will receive an annual annuity in the amount of \$1,850. Mr. Jones will receive the annuity payments in equal quarterly installments of \$462.50. A portion of the annual annuity (\$1,145.15 in Mr. Jones' case) will be received tax-free for a portion of the annuity term. At the end of Mr. Jones life, the balance of the charitable gift annuity will be used to fund the benevolent care ministry of Baptist Retirement Homes. The Charitable Gift Annuity is illustrated graphically below.

