Charitable Gift Annuity – Sample Illustrations

Charitable Gift Annuities provide benefits to one or more persons

A charitable gift annuity contract may be structured to benefit an individual donor, or two persons such the donor and a spouse or other family member. By federal law, annuitants must be 60 years or older to begin receiving annuity payments. Unbound requires a minimum gift transfer of $10,000.

Specific benefits to donors will include the following:

- A significant current gift to Unbound and the option of lifetime income for you
- Option to pay one or two persons a fixed income annually for a designated period or as long as either lives
- A charitable gift deduction for current and future periods if you itemize your taxes
- A portion of each income payment to you is usually distributed tax-free
- Flexibility for you to receive payments annually, semi-annually, or quarterly
- Payments mailed directly to your bank or private residence
- Higher annual income for donors who defer payments or initiate their contract later in life
- Life income or income for a fixed period backed by the full assets of Unbound

An example of a Charitable Gift Annuity for an individual annuitant:

Alice, age 70, agrees to a gift of $20,000 to Unbound in return for life income.

Summary of Benefits for Alice

Gift Annuity

ASSUMPTIONS	
Beneficiary Age(s)	70
Gift Amount	$20,000.00
Gift Date	8/5/2010
Payment Rate	5.8 %
Payment Schedule	Quarterly End

BENEFITS	
Charitable Deduction	$7,410.80
Annual Payment	$1,160.00
Tax Free Portion	$792.28
Ordinary Income	$367.72

After 15.9 years, the entire annuity becomes ordinary income. Partial payments for the year of gift will depend on the timing of your gift.

IRS Discount Rate is 3.2 %

These calculations are estimates of gift benefits; your actual benefits may vary.

How it works

- Alice transfers $50,000 to Unbound to fund a charitable gift annuity contract.
- Alice receives a charitable deduction of $7,411applicable to the tax year she makes the gift.
- Unbound pays Alice $1,160 annually for as long as she lives. Of her annual payments, $792 is tax-free and $368 is ordinary income.
- When Alice dies, 100% of the unused portion of her gift is designated for use by Unbound.

An example of a Charitable Gift Annuity for two annuitants:

Bob, age 77, and his wife, Mary Ellen, age 74, agree to a gift of $50,000 to Unbound in return for life income.

Summary of Benefits for Bob & Mary Ellen

Gift Annuity

ASSUMPTIONS	
Beneficiary Age(s)	77, 74
Gift Amount	$50,000.00
Gift Date	8/5/2010
Payment Rate	5.8 %
Payment Schedule	Quarterly End

BENEFITS	
Charitable Deduction	$17,153.50
Annual Payment	$2,900.00
Tax Free Portion	$2,041.60
Ordinary Income	$858.40

After 16.1 years, the entire annuity becomes ordinary income. Partial payments for the year of gift will depend on the timing of your gift.

IRS Discount Rate is 3.2 %

These calculations are estimates of gift benefits; your actual benefits may vary.

How it works

- Bob & Mary Ellen transfer $50,000 to Unbound to fund a charitable gift annuity contract.
- Bob & Mary Ellen receive a charitable deduction of $17,154 applicable to the tax year the gift is made.
- Unbound pays Bob & Mary Ellen $2,900 annually for as long as one of them is living. Of their annual payments, $2,042 is tax-free and $858 is ordinary income.
- When the surviving spouse dies, 100% of the unused portion of their gift is designated for use by Unbound.

The American Council on Gift Annuities & Gift Annuity Rates

Unbound follows the established guidelines and annuity rates of the American Council on Gift Annuities (ACGA). The ACGA actively promotes responsible philanthropy through actuarially sound gift annuity rate recommendations, quality training opportunities, and the advocacy of appropriate consumer protection. Accordingly, the Rates Committee and the Board of the ACGA perform regular and customary reviews of factors that affect rates and make recommendations subject to periodic change.

This document provides general information about gift planning and is not intended to provide individual financial, legal or tax information or advice. Unbound recommends that you speak with a tax adviser, financial adviser or attorney about how to make charitable giving part of your overall financial plan.