



**Make a Gift
and Receive
Income for Life**

A Gift That Pays You Back

Strengthen Your Future and Ours

If you're looking for a simple way to make a charitable gift to Smile Train that won't leave you worried about your future financial security, a gift that pays you income could be your solution. In exchange for your gift, you will receive dependable, fixed payments for the rest of your life as well as tax benefits.

How It Works

A charitable gift annuity is a simple agreement in which you give cash, or other assets, such as stock, in exchange for fixed payments for you (the annuitant), or you and someone else you choose, each year for your lifetimes. After that, the remaining amount supports Smile Train's work.



Savings You Can Expect to Achieve

A portion of each payment you receive is considered a nontaxable return on your contribution, from the start of your payments until you reach your estimated life expectancy. This tax-free amount further increases your after-tax dollars.

You are also entitled to an income tax charitable deduction for a portion of your contribution — usually between 30% and 60% of the value of the gift — assuming you itemize your deductions.

In addition to the payments and the deduction you receive, if you fund your gift annuity with appreciated property, you are entitled to capital gains tax benefits.

Understanding Annuity Payment Rates

Gift annuity rates are generally determined by two factors: the age(s) of the annuitant(s) at the time of the donation and the number of annuitants. A gift annuity agreement can include up to two annuitants. As you'll see in the charts, *right*, the older you are, the higher your rate.

Rates are also adjusted according to the number of annuitants, with rates for two life agreements often lower because of the extended life expectancy. The age of an annuitant is the age reached at the nearest birthday, meaning if you are within six months of your next birthday, you'll receive the higher rate.



Sample Rates

ONE LIFE			
Age	Rate	Age	Rate
65	4.2%	80	6.5%
70	4.7%	85	7.6%
75	5.4%	90+	8.6%

TWO LIVES			
Ages	Rate	Ages	Rate
65/65	3.8%	80/80	5.4%
65/70	4.0%	80/85	5.8%
70/70	4.2%	85/85	6.5%
70/75	4.3%	85/90	7.1%
75/75	4.6%	90/90	8.2%
75/80	4.9%	90/95+	8.4%

Rates are subject to change. Please contact Smile Train at 646.829.0993 for a personalized illustration. If you reside in New York, please contact us directly as your rates may vary slightly.

A Gift to Those You Love and Children in Need



Carol would like to help her older sister, Mary, 65, with her retirement expenses and provide support to Smile Train. She plans to donate a maturing \$25,000 CD to fund a charitable gift annuity, naming her sister as the annuitant. Carol is now able to provide a stable \$1,050 in income for her sister every year for the rest of her life.

Mary's Received Income Payments

For the next 19.9 years, Mary's estimated life expectancy, her \$1,050 payment will be taxed as follows:

■ Income tax free.....	\$824
■ Taxed as ordinary income.....	\$226
■ Total annual payment	\$1,050

Carol's Benefits

■ Federal income tax charitable deduction (Carol itemizes her deductions)	\$8,605*
■ Tax savings (in 32% income tax bracket)	\$2,754
■ Net cost of gift.....	\$22,246

*Based on a 1.2% charitable midterm federal rate. Deductions and calculations will vary depending on your personal circumstances.

For federal tax purposes, Carol makes two gifts: a charitable gift that qualifies for an income tax charitable deduction and a non-charitable gift to her sister that is subject to gift tax. Given that the annual amount to her sister is less than the annual gift tax exclusion, Carol pays no gift tax.

Once Mary has passed her life expectancy, 19.9 years, the full \$1,050 will be taxed as ordinary income. Later, after Mary's lifetime, the remaining amount of her gift is available to support Smile Train's work.

FOR MORE INFORMATION

As with most agreements, it is best to consult your professional legal or tax advisors before establishing a charitable gift annuity. We are happy to help answer any questions and provide you with your exact payment rates and projected benefits. Please contact Smile Train at plannedgiving@smiletrain.org or 646.829.0993, in confidence, and with no obligation.

Is This Gift Right for You?

- You want to receive fixed payments for your lifetime, or supply loved ones with payments for life.
- You would like an income tax charitable deduction when you itemize.
- You want tax-favored payments you can never outlive.
- You want to support a cause you care about.
- You want to eliminate a portion of the capital gains tax when you fund your gift annuity with appreciated property.



646.829.0993
plannedgiving@smiletrain.org

633 Third Ave., 9th Floor
New York, NY 10017
plannedgiving@smiletrain.org

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California residents: Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. Oklahoma residents: A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. **South Dakota residents: Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.**