

Comparison Summary of Life Income Gifts

Managed by the Episcopal Church Foundation

| Pooled Income Fund <i>Minimum contribution is \$2,500</i> | Charitable Gift Annuity <i>Minimum contribution is \$5,000</i> | Charitable Remainder Trust <i>Minimum contribution is \$100,000</i> |
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| <p>(1) The donor receives an income tax deduction in the year of the gift.</p> <p>(2) Quarterly income payments fluctuate. The Fund is invested primarily for income; participants receive quarterly income payments that represent the Fund's earnings.</p> <p>(3) The entire income payment is taxed as ordinary income.</p> <p>(4) The donor may make additions to the Fund in increments of \$1,000 or more.</p> <p>(5) Donors are invited to designate a portion of the final gift to the Episcopal Church Foundation.</p> <p>(6) The gift must be designated for an Episcopal entity(ies).</p> <p>(7) Generally, the corpus passes to the charity.</p> | <p>(1) The donor receives an income tax deduction in the year of the gift.</p> <p>(2) Quarterly income payments are a fixed amount. If interest rates increase or decrease, payments remain the same. The payout rate is based on life expectancy(ies) and is guided by a set of tables created by American Council on Gift Annuities.</p> <p>(3) Depending on how the gift is funded, a portion of the income payment may be tax free.</p> <p>(4) The donor may not make additions to a charitable gift annuity. However, additions can be made to a deferred gift annuity until the requested payout date. An individual may purchase separate additional annuities.</p> <p>(5) The Foundation must be designated for at least 10% of the final gift. This is because the Foundation pledges its own unrestricted assets against the lifetime income payments.</p> <p>(6) The majority of the gift must be designated for an Episcopal entity(ies).</p> <p>(7) Depending on the duration of the income payments, the remainder gift available to the church may be in the 50%-60% range, historically.</p> | <p>(1) The donor receives an income tax deduction in the year of the gift.</p> <p>(2a) Unitrust Quarterly income payments fluctuate. The donor establishes the payout rate percentage when the trust is created. Quarterly income payments are based on the annual re-evaluation of the trust's corpus.</p> <p>(2b) Annuity Trust Quarterly payments are fixed based on the initial value.</p> <p>(3) The investments held in the trust account determine how the income payments are taxed.</p> <p>(4a) The donor may make additions to their trust in increments of \$10,000 or more.</p> <p>(4b) The donor may not make additions to an Annuity Trust.</p> <p>(5) For trusts of \$500,000 or less, 5% of the remainder must be designated to ECF. For trusts more than \$500,000, only 3%. This offsets legal costs and helps allow ECF to offer this program.</p> <p>(6) The majority of the gift must be designated for an Episcopal entity(ies).</p> <p>(7) Depending on market conditions, the remainder gift for the church may be more or less than the initial investment.</p> |

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| | Request by Will Give assets through will | Pooled income Fund Give to fund, receive income payments for life | Charitable Gift Annuity Annuity issued in exchange for property (usually cash or securities) | Charitable Remainder Unitrust Irrevocable trust which pays an amount based on annual value of assets | Revocable Trust Trust which Donor can modify or terminate at later date | Life Estate Give real estate but retain right to use it for life | Life Insurance Gift Assignment of policy to church or church buys policy on donor's life | Charitable Lead Trust Trust pays church income, returns remainder to donor, or gives remainder to heirs after set number of years | Bargain Sale Sell asset to church at below-market price | Appreciated Property |
| Income to donor | None | Income for life Rate based on market conditions | Income for life, may be deferred, Fixed rate based on donor's age at time of gift | Varying percentage based on investment conditions | All or portion of the net income | Retention of right to use property for income purposes | None | None | Purchased price of asset | None |
| Frequency of Payment | | Usually quarterly | Frequent | Frequent | Frequent | | | | | |
| Tax deduction | Possible reduction of estate and inheritance taxes | Initial possible income tax reduction. Capital gains tax and death tax reductions | Initial possible income tax reduction. Partially tax-exempt payments and possible reduction of death taxes | Initial income tax deduction. Possible reduction of estate and inheritance taxes. Avoid gains taxes if funded with appreciated securities. | Possible reduction of estate and inheritance taxes | Tax deduction based on equity in the property and donor's age. Possible death tax reductions | Possible tax deduction of premiums and cash value of policy | Trust usually passes to heirs at reduced gift and death tax rates | Partial income tax deduction for amount "lost" by the sale | Income tax deduction; capital gains tax may be avoided |
| Special advantages | Can be designated | Satisfaction of making major gift while living | Satisfaction of making major gift while living | Satisfaction of making a major gift while living | Managed, professional oversight of investments; avoid probate | Satisfaction of making major gift while living | Ability to "leverage" gift | Trust dissolves after set period of time (10 to 20 years) | Satisfaction of making major gift while living | Versatile – most any form of property could qualify |