

An Update

Several changes have occurred since the publication of this booklet in 2006. Revised actuarial tables have resulted in very minor differences in the charitable remainder unitrust deductions illustrated in the booklet. We would be pleased to provide you with current deduction results for any gift plan you and your clients are considering. Simply call 1-800-843-8114 and ask to speak with a member of our Gift Planning staff.

The deferred payment charitable gift annuity tables and examples on page 9 of the booklet have also changed, as shown below:

Current Age of Donor	Deferred Gift Annuity Rates			
	5-year Deferral	10-year Deferral	15-year Deferral	20-year Deferral
45	–	–	7.1%	8.8%
50	–	6.0%	7.5	9.6
55	5.1%	6.4	8.2	10.9
60	5.5	7.0	9.3	12.8

Flexible Deferred Payment Gift Annuities

Suppose Mr. C is age 55 and decides to give \$10,000 in stocks to AICR for a deferred payment gift annuity. He guesses that he might retire at age 67, so he picks that age as the “ballpark estimate” of when payments should begin. He is entitled to a charitable deduction this year of roughly \$3,541, and at age 67 he can start receiving annuity payments of \$700 (7.0%) a year. But suppose Mr. C decides to keep working past age 67, or for any reason wishes to postpone the start of annuity payments. Two private IRS rulings would permit him substantial choice if he established a “flexible” deferred payment annuity. He could elect to initiate benefits at age 70 and be paid 8.2%, or receive 9.2% by starting at age 72, as shown in the table.

Starting Age	Payout Rate	Annual Payout
67	7.0%	\$ 700
68	7.4	740
69	7.8	780
70	8.2	820
71	8.8	880
72	9.2	920
73	9.7	970
74	10.4	1,040
75	10.9	1,090
76	11.7	1,170
77	12.4	1,240