



NATIONAL PARK LEGACIES

Gift and Financial Planning Information

Fall 2017

SMART GIVING WITH CHARITABLE GIFT ANNUITIES

If you would like to make a gift to the National Parks Conservation Association and also increase your income, consider a charitable gift annuity.

Many people have seen their income decline in recent years due to low interest rates; some have even had their pensions reduced. Others may have a stable income, but increased costs have resulted in less purchasing power.

Charitable gift annuities provide fixed, dependable payments that will continue for as long as you live. Because a portion of the assets used to create your gift annuity will eventually become a charitable gift, you will be able to claim generous income tax savings as well as benefit from payments that may be tax-exempt or taxed at more favorable rates than your other income.

How does a charitable gift annuity work?

Payment rates for gift annuities are based on the number and age(s) of the person(s) receiving the

payments. Once your rate is set, it will never change. The older the payment recipient when the gift annuity is created, the higher the payments.

The benefits

With a charitable gift annuity, you not only enhance your own future economic security, you may also help a friend, long-time employee or another individual by naming them as an income recipient. You can create a charitable gift annuity with a simple agreement, and you and/or someone you choose will receive generous payments for life.

Establishing a charitable gift annuity is quick and easy, but the benefits to you, your loved ones and NPCA will last a lifetime. Please contact us if you would like more information about gift annuities or a personalized gift annuity illustration, in complete confidence and with no obligation.

Above: Bass Harbor Lighthouse, Acadia National Park | © SunnyXplorer | Thinkstock
Below left: Deer at Olympic National Park | © Purestock | Thinkstock Below right: Leaves floating on water, Yosemite National Park | © Medioimages/Photodisc | Thinkstock



INSIDE:

QUESTIONS & ANSWERS
ABOUT CHARITABLE
GIFT ANNUITIES

ENJOY MORE INCOME IN
LATER YEARS

QUESTIONS & ANSWERS ABOUT CHARITABLE GIFT ANNUITIES

Here are some common questions and answers our supporters have about establishing a charitable gift annuity with NPCA:

Q: Can I outlive my annuity payments?

A: You can't: All the available assets of NPCA stand behind the obligation to make payments each year.

Q: Is the payment rate the same if more than one person receives annuity payments?

A: No. Because the combined life expectancy for two people is typically longer than for one person, the payment rate for two will be somewhat lower (see the chart at right). Contact us if you'd like to see rates for other ages.

Q: Are gift annuity payments affected by interest rates or other economic fluctuations?

A: Payments stay the same, regardless of economic or interest rate changes.

Q: Will a gift annuity be part of my estate?

A: Not generally. If payments are made to you only, none of the assets used to fund your gift annuity are included in your probate or taxable estate.

Q: Is cash the only way to fund a gift annuity?

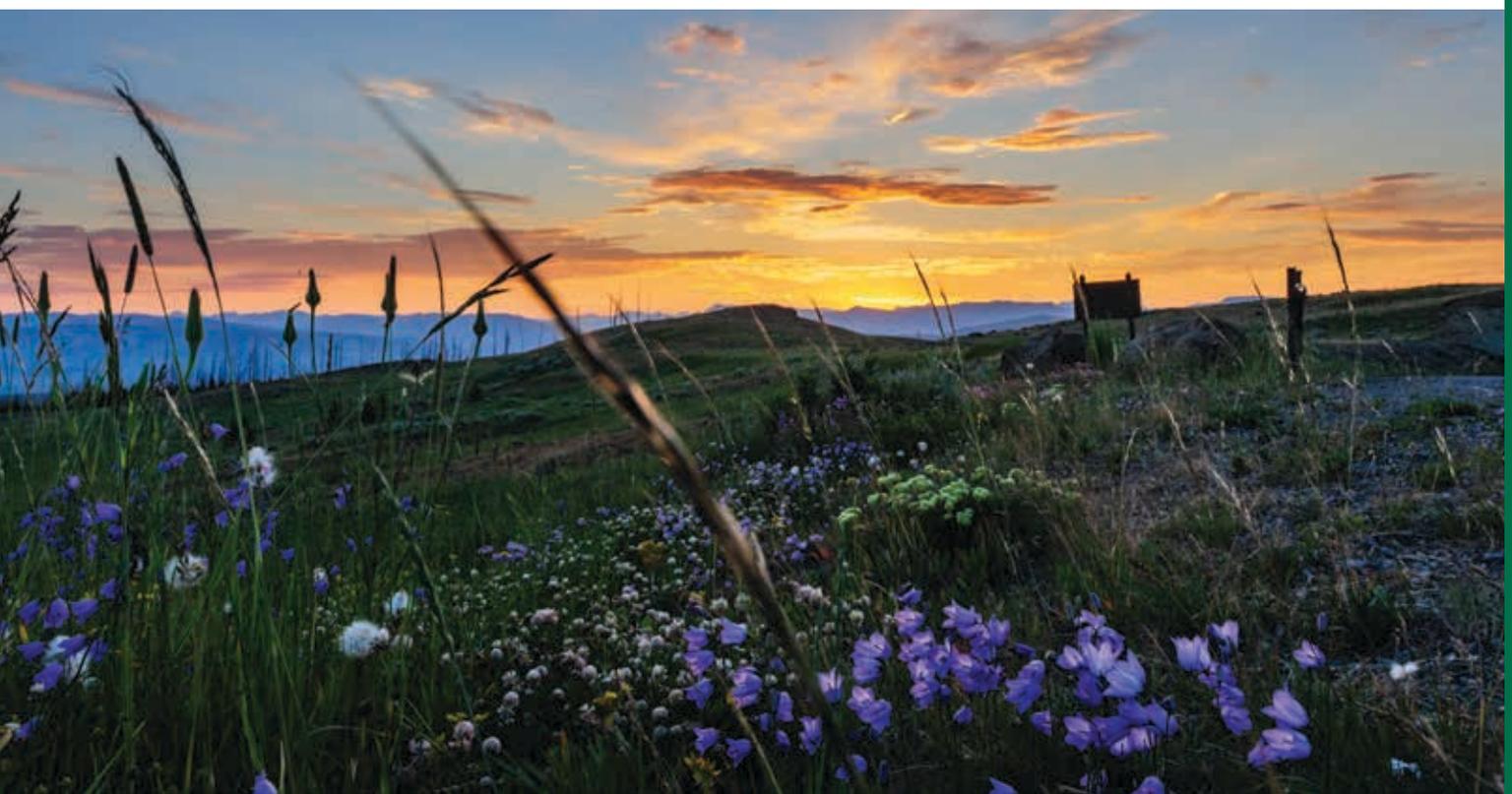
A: No. Appreciated stocks, bonds and certain other assets can be a practical alternative. Using a low-yielding asset to fund your gift annuity may increase your spendable income as well. See the next page for several examples.

GIFT ANNUITY PAYMENT RATES

Selected rates for one person		Selected rates for two people of the same age	
Age	Rate	Ages	Rate
90+	9.0%	90/90	8.2%
85	7.8	85/85	6.7
80	6.8	80/80	5.7
75	5.8	75/75	5.0
70	5.1	70/70	4.6
65	4.7	65/65	4.2

For illustrative purposes only.

Please write for current benefits, rates for other ages or a personalized illustration.



EXAMPLES:

Increasing retirement income with gift annuities

Karen, age 86, owns stock worth \$20,000 that she purchased 10 years ago for \$10,000. Her annual dividend from the stock is less than \$200.

To honor her mother, who was an outdoor enthusiast, she would like to make a gift to the National Parks Conservation Association.

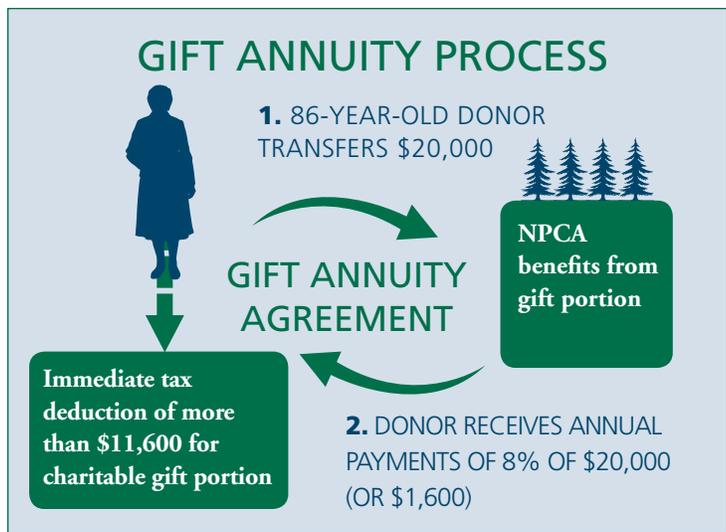
Based on Karen's age, her payment will be \$1,600 per year ($\$20,000 \times 8$ percent), substantially more than she was receiving in dividends and a helpful supplement for retirement. By creating a gift annuity with NPCA, she has the satisfaction of knowing that she has built a lasting legacy in memory of her mother.

How two people can benefit

Married couple Kevin and Patricia, both age 75, own stock worth \$100,000 that they originally purchased for \$40,000. They receive less than one percent in dividends from this investment.

Kevin and Patricia decide to use this stock to fund an NPCA charitable gift annuity. They are pleased to learn they will receive payments totaling five percent (\$5,000) per year for the rest of their lives.

Part of each payment will be received free of tax and much of the remainder will be taxed at the lower



capital gains rate for the first 16 years they receive payments.

They also enjoy a federal income tax deduction of just under \$40,000 that they can use to reduce their income taxes in the year they make their gift and in up to five more tax years.

The amount used to fund their gift annuity will be removed from both their probate and taxable estates, perhaps resulting in additional savings in estate settlement expenses.

If you establish a two-life gift annuity, you can choose to benefit a spouse or a sibling, parent or other loved one. Please contact us or return the enclosed card if you would like more information on gift annuities. We are happy to help you with your charitable planning.



ENJOY MORE INCOME IN LATER YEARS

If you do not need more income now but are concerned that you may need additional income in the future, consider the benefits of a “**deferred gift annuity**.” This plan allows you to fund your gift annuity today, but directs that payments not begin until a future time that you determine.

You won't postpone your tax benefits, however. Like a current gift annuity, a deferred gift annuity allows you to enjoy an income tax deduction today.

Assets used to fund your gift annuity will in most cases also be immediately removed from your estate for tax purposes.

If you have been planning to leave a portion of your estate to charity through your will or other long-range plans, a deferred gift annuity can be a unique way to use future charitable gifts to not only help reduce your present income tax liabilities but leave a meaningful legacy to NPCA.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. © Copyright 2017 by Sharpe Group. All Rights Reserved. NGAX-17

ALREADY HAVE A GIFT ANNUITY?

If you have completed gift annuities with another charitable interest, consider funding your next gift annuity with NPCA. Join those who have made the commitment to preserving our national parks for future generations.



White tailed deer in Glacier National Park |
© Medioimages/Photodisc | Thinkstock



National Parks Conservation Association
Gift Planning Office
777 6th Street, NW, Suite 700
Washington, DC 20001-3723

toll-free 1-877-468-5775
fax 202-872-0822
giftplanning@npca.org
www.npcaplan.org/giftplanning

NPCA accepts gifts of \$10,000 or more to establish charitable gift annuities. With an NPCA gift annuity, you may choose to start receiving income payments at age 65 or older.

For more information about how you can make a bequest, charitable gift annuity, or a planned or outright gift to NPCA's endowment, please call Vonda Harrison toll-free at 1-877-468-5775. We look forward to helping you achieve your philanthropic goals.

