



NATIONAL PARK *Legacies*

Fall 2009

Gift and Financial Planning Information

ONE GIFT ACHIEVES MANY GOALS

Uncertainty in the stock market as well as low interest and dividend rates have continued to affect many peoples' cash flow and possibly their charitable contributions.

But even in today's challenging environment, it can be possible for you to make a significant charitable gift to National Parks Conservation Association while realizing maximum personal and philanthropic benefits. One of the most popular methods of giving is the **charitable gift annuity**.

Generous payment rates

Gift annuities are a way to make a meaningful charitable gift while you and/or someone else you name enjoy income for life. Income payment rates are based on the age(s) of the person or persons receiving payments. At age 75, for example, payments of 6.3% of the amount used to fund a gift annuity would be received each year for life.

Payments never change

Once established, the payment rate for a gift annuity never changes, regardless of fluctuations in interest rates or investment markets.

Tax savings

Because a portion of the amount given for a gift annuity will be used for charitable purposes, you may claim a federal (and perhaps state) income tax deduction in the year you make your gift. Part of each payment is received free of income tax for a period of time, and the amount used to fund a gift annuity is generally not included as part of your estate for probate and tax purposes.

More information

Please continue reading for more information about the benefits of our gift annuity program. You may find that a gift annuity can help you make a gift you never thought possible while you supplement your income or that of a loved one.

Inside:

- How gift annuities work.
- What rate would you receive?

UNDERSTANDING GIFT ANNUITIES



Brian Stansberry

*Great Smoky Mountains
National Park*

How a Gift Annuity Works

1. Donor transfers cash or securities



Gift Annuity



2. Donor receives:
 - Generous payments for life
 - Excellent tax benefits

Gift Portion



3. To NPCA to support its park protection work

Charitable gifts to National Parks Conservation Association and other organizations can take a variety of forms. Your gifts can be made today in the form of cash or other property. Or gifts can be made later—as distributions from your will or other long-range plans.

A gift now and later

The charitable gift annuity offers a way to make gifts to NPCA today and later. A gift annuity enables you to make a gift that might otherwise have come through your estate—while you also enjoy significant benefits today.

When you complete a charitable gift annuity, the property that funds it is eventually used for charitable purposes, just as if you had left a bequest by will.

But unlike a bequest, your gift annuity will provide you with regular payments and other benefits for as long as you live.

The amount of your payments depends on your age at the time your annuity is funded. For example, a 75-year-old receives a higher payment rate than a 65-year-old and, once established, the payment rate never changes.

Tax benefits today

Because a portion of the total amount that funds your gift annuity will be used for charitable purposes, part of the amount transferred may be tax deductible in the year of your gift.

Federal tax laws provide that you can use this deduction to reduce your income taxes over as many as six years. You may enjoy state tax savings as well.

A portion of each payment is considered a partial return of the amount transferred for the gift annuity. For this reason, you will not owe taxes on a large part of your payments for a period of time equal to your life expectancy.

If you choose to use investments that have increased in value since you have owned them to fund your annuity, you may also avoid or delay capital gain taxes.

Example: Martha Purcell, age 80, has a \$10,000 certificate of deposit that matures in a few weeks. She is not pleased with the interest rate she has been receiving.

She learns that under the terms of a charitable gift annuity with NPCA, she will receive payments totaling 7.1%, or \$710, per year. For the first nine years she receives payments, she will report only about \$170 of the payments as income.

Because of the gift portion of the annuity, Martha is allowed a federal (and perhaps state) income tax deduction of over \$5,000 in the year of the gift, further increasing her tax savings.

Finally, just as if she had made her gift in the form of a bequest, the amount used to fund the gift annuity will not be part of her estate for federal tax purposes.



FIVE WAYS A GIFT ANNUITY CAN BENEFIT YOU

There are a number of ways that a gift annuity can benefit you.

1. Attractive Rates. Mrs. Fox, age 82, receives a modest income from her certificate of deposit. When the CD matures next month, she plans to establish a gift annuity with the National Parks Conservation Association. At her age, she will receive nearly twice the amount she is currently receiving from the CD.

2. Tax-free Payments. Part of each gift annuity payment is free of tax for a period of time.

3. Income Tax Deduction. Because part of the gift annuity will be used for charitable purposes, persons who itemize are entitled to an income tax deduction for the gift

portion of their gift annuity in the year the gift annuity is established.

4. Regular, Fixed Payments. With a charitable gift annuity, you can count on receiving fixed, regular payments, regardless of what occurs in financial markets.

5. Bypass Capital Gain. If you have stock that has increased in value and you use it to fund your gift annuity, you can bypass part of the capital gains tax that might have been due had you sold the stock. Any remaining capital gains tax due will generally be spread over your life expectancy.

Perhaps the greatest benefit is the personal satisfaction you receive from supporting the causes you care about most.

Gift Annuity Payment Rates			
Selected Rates for One Person		Selected Rates for Two Persons of the Same Age	
Age	Rate	Ages	Rate
90+	9.5%	90/90	8.3%
85	8.1	85/85	7.0
80	7.1	80/80	6.1
75	6.3	75/75	5.6
70	5.7	70/70	5.2
65	5.3	65/65	4.9

For illustrative purposes only. Please write for current benefits and rates for other ages.

TAKE CARE OF LOVED ONES

In addition to providing funds for you, gift annuities can be arranged so that you and one other person you choose receive the payments together. You may also direct that lifetime payments can be made to one or two persons other than yourself.

Gift annuities result in welcome gift, estate, and income tax savings while accomplishing the following goals:

- Payments for one's life and for the lifetime of a surviving spouse. Payment rates for two persons' lives vary with the age of the individuals. Two-life rates are available upon request.

- An income supplement for a parent or other loved one or a friend. If you are furnishing regular support to a parent from after-tax dollars, consider how a gift annuity may be used to provide a reliable income for life in a way that features sizable tax savings.
- Income for a brother or sister. A gift annuity can also be a wonderful way to give financial assistance to a brother, sister, or perhaps his or her surviving spouse in a tax-efficient manner.

More information about gift annuities for loved ones is available upon request.



Wing-Chi Poon

Big Bend National Park

MAKING A GIFT TO A “MOST WORTHY ORGANIZATION”

Larry Mack and his wife Jane were both born and raised in Michigan. Larry became an engineering professor at the University of Texas-Austin. Jane taught first grade for 15 years after her youngest child started kindergarten.

The Macks took their four children camping in the national parks almost every summer when they were growing up. Although they don't visit the parks as often now that their children are grown, the Macks still manage an occasional outing: Larry enjoys climbing and Jane photographs the beauty of the parks.

They became members of NPCA in 1990 and, last spring, established a charitable gift annuity. When asked why they made this gift, Jane said, “We wanted to make a contribution to what we considered a most worthy organization. We have faith the money will be used wisely.”

The Macks hope their gift will help NPCA advocate for critical solutions to some of the most pressing issues facing our national parks: increased funding for maintenance and educational interpretive programs, promoting a greater diversity of visitors, and adding new parks to the National Park System. If you would like to join the Macks and other friends of NPCA by making a gift, please call, toll-free, 1-877-468-5775 or write to the address below. You can also visit our website: www.npca.org/giftplanning.



Jane and Larry Mack



National Parks Conservation Association®
Protecting Our National Parks for Future Generations®

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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 Morgan Dodd toll-free at 1-877-468-5775. We look forward to helping you achieve your philanthropic goals.