



# NATIONAL PARK LEGACIES

Gift and Financial Planning Information

Spring 2017

## GIFT ANNUITIES—A RELIABLE SOURCE OF INCOME

**W**ith recent market fluctuations and uncertainties in the economy, now may be a good time to explore how a charitable gift annuity with National Parks Conservation Association could help you enhance your own economic security or that of a loved one.

### A gift with heart

The charitable gift annuity is a gift planning option designed to provide fixed, dependable payments that will continue for as long as you and/or your spouse or another loved one live.

Payment rates for gift annuities are based on the age of the person(s) receiving the payments, the number of people receiving payments and other actuarial factors. Once the rate is set for your particular annuity, it will never change.

### How it works

Under the terms of a gift annuity, you make a gift of cash or other appropriate assets in a way that allows you

to receive payments for the rest of your lifetime. Because a portion of the assets used to create your gift annuity will eventually be used for charitable purposes, you will benefit from generous income tax savings as well as payments that may be taxed at more favorable rates than other income.

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

With a gift annuity, you can enhance your future economic security and perhaps make a larger charitable gift than you thought possible.

### More information

Establishing a gift annuity is quick and easy, and the benefits to you, your loved ones and National Parks Conservation Association will last a lifetime. Return the enclosed card or call us to receive more information about a charitable gift annuity.

Above: Bryce Canyon early morning sunrise © Freebilly | Thinkstock  
Below left: Cherry blossoms, Washington Monument © amedved | Thinkstock Below right: Milky way in Arches National Park, USA © ClaudioVentrella | Thinkstock



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# WAYS TO RECEIVE PAYMENTS

In addition to providing supplementary funds for you, gift annuities can be arranged so that you and one other person you choose can receive payments or you can have payments made to one or two other persons other than yourself. Here's how it works:

- **Payments for your life and the life of a surviving spouse.** Payment rates for two person's lives vary with the ages of the individuals. Two-life rates are available upon request.
- **An income supplement for a parent, other loved one or friend.** If you are contributing regular support to a parent (or other person) from after-tax dollars, consider how a gift annuity may be used to provide your loved one with a reliable income for life in a way that features sizable tax savings for you.
- **Income for a brother or sister.** A gift annuity can also be a wonderful way to give financial assistance to a brother or sister or perhaps his or her surviving spouse in a tax-efficient manner.
- **Deferred payment gift annuities.** If you do not need payments now, you can choose to fund a deferred gift annuity. You will receive tax benefits now, but payments can begin at a later date of your choosing.

## 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  
and rates for other ages.

Below: Oxbow Bend, Grand Teton National Park, Wyoming © Dean Fikar | Thinkstock





## Mather Legacy Society Profile: Peter Farwell

### PETER FARWELL “FEELS THE GIFT OF GIVING”

When Peter Farwell was growing up in the Chicago suburbs, he enjoyed many family outings with his parents and siblings, swimming and hiking in Illinois and Wisconsin. In college, he began camping and visiting the national parks, and has never stopped!

When asked if he had a favorite, Pete replied, “Out of the numerous great ones, Yosemite, Yellowstone, Rocky Mountain, Grand Canyon and Denali particularly stand out.”

“I explored Grand Canyon with a rim to rim hike from the South down, overnighting at the bottom along the Colorado River, and then up to the North Rim the next day.” Pete recounted. “It was amazing to experience the different climatic zones one after another, and to ‘drink in’ the views, with an incredible thirst for nature and beauty (with a corresponding physical thirst augmented by the heat and sweat).”

Pete has been an athletic coach at Williams College for the past 39 years. That’s where he met his wife, Yumi, when she came from her native Japan to do graduate work in Art History. The two enjoy hiking, tennis, visiting museums and traveling together.

#### Learning about gift annuities

“At some point, I was gifted a subscription to the National Parks magazine, and I enjoyed those articles immensely, so I kept renewing my subscription. That’s where I first learned about gift annuities. I had been planning to establish a number of gift annuities and, eventually, make an outright gift through my will,” Pete continued. “As I reached age 65, I decided it would be good to start giving now, rather than waiting, and thus ‘feel the gift of giving’ while still living, not just anticipating how it would make a difference after I pass on.”

“I inquired as to how the deferred gift annuity works, and was very pleased to find that by establishing my gift annuity with appreciated securities, I could receive a sizeable charitable deduction when I made my gift and lower the capital gains tax impact by spreading it out over several years. And because I will receive the income in later years, it will be at a lower tax rate than now, as I am still working full time.”



PETER FARWELL WITH HIS WIFE, YUMI, AT DREAM LAKE  
IN ROCKY MOUNTAIN NATIONAL PARK

“It would be great if more people knew they could contribute directly to NPCA, especially as government funding for our parks is insufficient for future preservation and stewarding of our parks. I love our parks and all of nature, and I am troubled at how quickly so many parts of that are becoming endangered and disappearing.”

“We want to support all the national parks (and other wilderness areas, including the local Rural Lands Foundation in Williamstown). The NP magazine is terrific, letting us know about parks we never knew of, how many are faring with climate change, large crowds, reduced funding and environmental challenges from industry, mining, air quality, etc.”

#### Enjoying life

“Hopefully we ALL care deeply about the planet we live on, and the wonder of nature that is often taken for granted, or forgotten, amidst the daily making of a living. Taking time to enjoy life itself can be the best use of time, and in nature we can be in touch with ourselves, and beyond. We just visited Costa Rica, where the greeting and motto is ‘Pura Vida!’ I think that says it all in two short words.”

*Just like Peter Farwell, you could fund a gift annuity with National Parks Conservation Association and receive a supplemental income, now or later. It’s easy to do and we would be happy to prepare a personal illustration for you, with no obligation. Simply return the enclosed card or call, toll-free, 1-877-468-5775.*

## MAKING A GIFT FROM YOUR RETIREMENT PLANS

Millions of Americans take advantage of retirement savings opportunities such as Individual Retirement Accounts (IRAs), 401(k)s and similar plans. Such plans have proven to be a very popular way to help secure their financial future and that of their loved ones.

### Taxes for heirs

Despite their popularity, retirement accounts can be among the most heavily taxed gifts for your heirs. Because they are included as part of your taxable estate, assets remaining in retirement plans can be subject to estate taxes that could consume a large percentage of your loved ones' inheritance.

After paying estate taxes on the balance of an IRA or other tax-favored plans, heirs will still owe income tax—up to 35 percent or more—on the net amount they receive. The combination of income and estate taxes on retirement assets could, in some cases, deplete up to 65 percent or more of their value.

### Make a meaningful gift

A good alternative may be to use all or a portion of your retirement assets to make a gift to NPCA, either today or through your estate, and eliminate



Family on boat tour, Everglades National Park © romrodinka | Thinkstock

the tax on those funds. Other less heavily taxed assets can then be used to provide for loved ones.

Charitable gifts from retirement fund assets can be among the easiest gifts to arrange. And, you could use required withdrawals from these plans to fund a gift annuity that will make payments to you or a loved one for life.

We would be happy to answer any questions you or your advisors may have about how you might be able to arrange a meaningful gift to National Parks Conservation Association by using retirement plan assets.



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NPCA accepts gifts of \$10,000 or more to establish charitable gift annuities (CGAs). 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 Morgan Dodd toll-free at 1-877-468-5775. We look forward to helping you achieve your philanthropic goals.

Bald Eagles, Yellowstone National Park  
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