

ABOUT THE UNITED WAY

CHARITABLE GIFT ANNUITY

The United Way Charitable Gift Annuity is an innovative way to leave a lasting legacy in Anytown. It's an agreement between you and United Way in which you transfer cash or appreciated assets in exchange for a guaranteed fixed payment for life.

United Way's charitable gift annuity gives you the security of knowing you will receive fixed payments for life. When you fund a charitable gift annuity, United Way agrees to pay you a fixed payment for as long as you live. You cannot outlive a gift annuity's dependable payments. Reliable payments are only the beginning. You will receive an income tax deduction for part of the funding amount. There are also capital gains benefits if you fund your gift annuity by transferring an appreciated asset, such as stock. Finally, after a lifetime of payments to you, the remaining funds will support United Way's mission. Call us and we can give you the details on funding your own charitable gift annuity. You can ask about a gift annuity that makes payments for one or two people; or a deferred gift annuity that offers a little higher rate if you wait a few years for the first payment; or a gift annuity that you can fund for a loved one. With all these options and a lifetime of benefits, the only worry you'll have is deciding what type of gift annuity works best for you.

One-life Charitable Gift Annuity

The Charitable Gift Annuity has two main components: (1) The transfer of an asset from the donor to United Way and (2) The signing of a contract in which United Way agrees to make lifetime annuity payments to the donor(s) for life. In addition to the satisfaction inherent in the act of giving, the CGA adds a tangible benefit in the form of an attractive lifetime annuity payment. The annuity rate is based on the age of the donor(s). When the annuitant passes, the United Way receives the residuum (amount left after payments to annuitant).

For example, Bob Jenner is a loyal contributor to United Way. When he was in the workforce, he enjoyed knowing his payroll deduction gift would be used to better his community. Now that he's retired, he is a volunteer with the United Way but still wants to give monetarily. After reading about the charitable gift annuity and understanding the benefits, Bob decides to fund a gift annuity for \$50,000. Based on his age of 70, he will receive a yearly annuity of \$2,900 for the rest of his life. He will also receive a nice charitable deduction of \$19,011. Bob feels a sense of pride knowing that when he passes, his gift will assist United Way in providing education, income and health to those most in need.



SUPPORT
UNITED WAY OF ANYTOWN
WITH A LASTING LEGACY GIFT.
RECEIVE
GUARANTEED PAYMENTS FOR LIFE
AND A CHARITABLE DEDUCTION.



United Way of Anytown

Two-life Charitable Gift Annuity

A gift annuity for two lives (for example, a married couple) has the same benefits as a gift annuity for one life, except when one annuitant passes away the second continues to receive the payments. At the second death, the United Way receives the residuum. The annuity payout rate is based upon both ages. This type of annuity is a great way to ensure your spouse continues to receive the benefits.

For example, David and Ann Mathews were both age 75 and married for 50 years. They decided to fund a United Way charitable gift annuity for \$250,000. They were able to take over \$88,580 as a tax deduction and received an annual annuity of \$14,250. Because they established a two-life annuity, at David's death, Ann continued to receive the \$14,250 annuity.

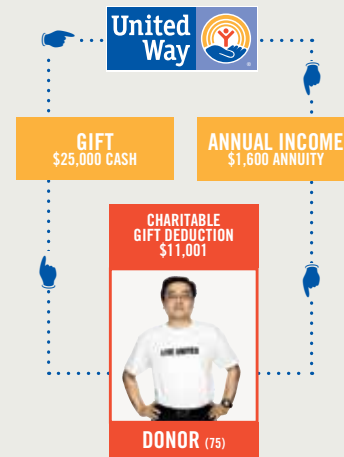
Deferred Gift Annuities

When you choose a deferred gift annuity you decide to wait a certain number of years to receive the first payment. Since your first payment is deferred, the annuity is larger than a current gift annuity. As with current gift annuities, deferred ones also offer fixed lifetime payments, even at the higher rate. With a United Way gift annuity, you have to be at least 60 years old to begin receiving payments. So, if you are under age 60, the deferred gift annuity is a great option for you.

For example, John Asher is 55 years old and a director at an advertising firm. He wants to make provisions for retirement and he doesn't want to receive any benefits until he's about 65. John decides a deferred gift annuity is the right option for him. John will fund a deferred gift annuity for \$150,000 and will receive an annuity rate of 8.5%. His yearly annuity is \$12,750. Although John won't receive his payments until 10 years, he can still claim his charitable deduction of \$46,188 now! The deferred gift annuity is a great option for those who are too young to fund an immediate annuity, or those who don't want to receive payments until they really need them, and even for those who have a high salary and need a tax deduction. Whatever the reason, the deferred gift annuity can work for you.

HOW A CHARITABLE GIFT ANNUITY WORKS

1. You give cash or assets in return for a fixed payment for life.
2. The fixed payment can be quite high depending on your age.
3. A portion of your payment stream may even be tax-free.
4. You receive a charitable deduction for your gift and the satisfaction of helping your community through United Way.



Charitable Gift Annuity for a Loved One

Did you know you can fund a charitable gift annuity for someone other than yourself or a spouse? If you are the donor, you can choose to have annuity payments go to someone else, like an elderly parent on a fixed income or even an older sibling that may need some financial assistance. Just as if you were receiving the payments, the annuitant would receive a payment amount based on age and amount of the gift. What's great is...although you don't receive the annuity payments, you receive the charitable deduction.

For example, Bill Saxton's mother is age 85 and lives on a fixed income. She still lives in the house she shared with her now deceased husband. Because Bill lives in a different state, he wants to make sure his mother has extra income in case of emergencies. Bill is a loyal supporter of United Way so he decided to talk to them about establishing a gift annuity to benefit his mother. Bill funded the gift annuity with \$100,000 and based on his mother's age, she would receive an 8.1% annuity rate and an annual annuity payment of \$8,100. Because Bill is the donor, he is able to claim the charitable income tax deduction of \$56,837. When his mother passes, his local United Way will receive the residuum.

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GIVE. ADVOCATE. VOLUNTEER.
LIVE UNITED



United Way of Anytown