

# Not Retiring for a While?

## There Is a Charitable Gift Annuity for You

Thanks to the deferred CGA, you can decide to postpone your payments beyond the age of 60 (when they are eligible to begin) and receive them at a later date that you choose, such as your retirement age. This results in numerous benefits:

- By making your contribution to Consumer Reports now, you may qualify for a larger immediate income tax charitable deduction.
- The annual payout rate will be considerably higher because your payments are deferred until a later age—at a time when other income sources may be smaller.

**Example:** Kevin, 65, contributes \$25,000 to establish a deferred gift annuity. Deferring payments until age 75 will provide Kevin with greater financial benefits. See the comparison below.

Age receives payments	65	75
Rate	5.1%	8.8%
Income tax deduction	\$8,810*	\$13,958*
Fixed amount paid to Kevin annually	\$1,275	\$2,200

\*Based on annual payments and a 3.2 percent charitable mid-term federal rate. Deductions and calculations will vary depending on your personal circumstances.



**California residents:** Annuities are subject to regulation by the State of California. Payments under such agreements, however, are not protected or otherwise guaranteed by any government agency or the California Life and Health Insurance Guarantee Association. **Oklahoma residents:** A charitable gift annuity is not regulated by the Oklahoma Insurance Department and is not protected by a guaranty association affiliated with the Oklahoma Insurance Department. **South Dakota residents:** Charitable gift annuities are not regulated by and are not under the jurisdiction of the South Dakota Division of Insurance.

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### We Can Help

We hope we have answered many of your questions, but every person's situation is different. Please contact us to discuss your needs—without any obligation. And thank you for considering a charitable gift annuity that can benefit both you and Consumer Reports.



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## CHARITABLE GIFT ANNUITIES



# Secure Income in Your Retirement Years



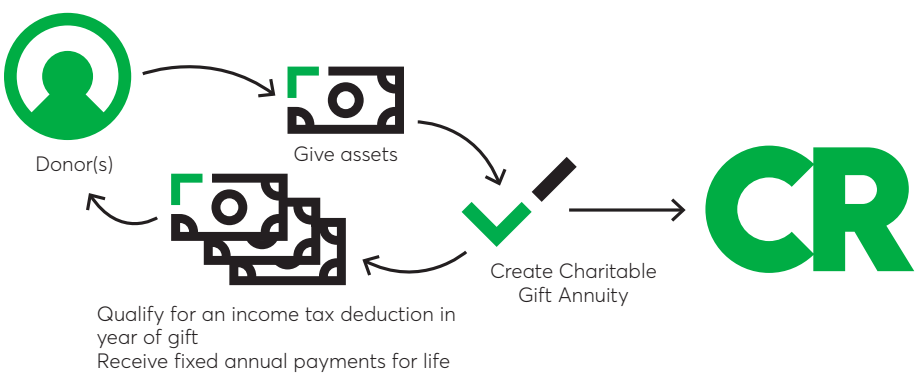
# Receive Fixed Payments for Life

## A Charitable Gift Annuity Helps You and Consumer Reports

A charitable gift annuity (CGA) is a gift that’s simple to put in place and offers you an easy way to support Consumer Reports. How does it work? First, you make an irrevocable donation, usually with cash or marketable securities. Then you receive fixed payments for life at a defined payment rate. After your lifetime, any remaining funds will be used to support our work in pursuit of a fairer, safer, and healthier marketplace.

With this plan you can:

- Receive fixed payments for your lifetime, which have partial tax-relief.
- Name a second person on the annuity who will share those fixed payments.
- Gain an immediate tax benefit from making the donation, and, if making the gift with appreciated securities, potentially reduce capital gains tax payments.
- Take a partial current income tax deduction, if you itemize.
- Have the satisfaction of knowing that you’re promoting a fairer, safer, and healthier marketplace.



Now that you understand the benefits of a gift annuity, you may have questions about the ins and outs.

### HOW DO I ARRANGE A CHARITABLE GIFT ANNUITY?

You give cash or securities—or a combination of these and other assets—in exchange for fixed payments for life. You can also provide payments for another individual—typically your spouse, but this could also be a partner, parent, family member, or friend.

### WHAT ASSETS CAN I USE TO FUND A CHARITABLE GIFT ANNUITY?

Typically, donors contribute either cash or publicly traded securities. In some cases, however, less common kinds of donations may be acceptable, such as a life insurance policy, a qualified retirement plan, or closely held stock.

### IS THERE AN AGE LIMIT?

You can establish a CGA at age 55. You are eligible to receive payments at age 60. There is no upper age limit.

### HOW MUCH CAN I CONTRIBUTE?

The minimum donation for a CGA at Consumer Reports is \$10,000.

### HOW MUCH WILL THE GIFT ANNUITY PAY ME?

The annual rate of your payment is based on your age at the time you make the gift to Consumer Reports. The older you are, the higher the rate of payment and the amount of the annual payments. The chart to the right shows the maximum rates suggested by the American Council on Gift Annuities. Rates are subject to change; please contact us for current rates.

### HOW OFTEN WILL I RECEIVE PAYMENTS?

You decide how often you wish to receive payments, whether quarterly, semiannually, or annually.

### HOW IS MY INCOME TAX DEDUCTION DETERMINED?

When you itemize deductions on your federal income tax return in the year of your gift, you can claim a charitable tax deduction. The deduction is determined in part using an IRS interest rate called the *charitable mid-term federal rate*. This rate can change slightly each month. (Please call

us for the latest information.) Your deduction is also based on the ages of those individuals receiving the payments.

**Example:** Jim, 70, arranged a \$25,000 charitable gift annuity to provide him with an annual payment. Based on a 3.2 percent charitable mid-term federal rate, this entitled him to a deduction of \$9,985. In his 32 percent federal income tax bracket, this represents \$3,195 in tax savings.

### HOW ARE MY CHARITABLE GIFT ANNUITY PAYMENTS TAXED?

A portion of your payment is treated as a return of principal and therefore is income tax-free throughout your estimated life expectancy. The balance is taxed as ordinary income.

In Jim’s example above, his payments are \$1,400 each year and are taxed as follows:

**\$969 ..... Income tax-free portion**  
**+ \$431 ..... Taxed as ordinary income**  
**\$1,400 ..... Total payment**

While a cash gift maximizes your tax savings, you can also fund a CGA with appreciated assets. In that case, a portion of your payment that would be tax-free with a cash gift is instead taxed as a capital gain.

## Find Your Gift Annuity Rate

One Life		Two Lives	
Age	Rate	Ages	Rate
60	4.7%	60/65	4.3%
65	5.1%	65/70	4.7%
70	5.6%	70/75	5.2%
75	6.2%	75/80	5.7%
80	7.3%	80/85	6.6%
85	8.3%	85/90	8.0%
90+	9.5%	90/95+	9.3%

*The rates for a two-life gift annuity are slightly lower because of the additional life expectancy of the second person.*

Rates in effect at time of publication. These rates change periodically, so please contact us to check on current figures.