

# Life Income and Estate Giving

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## **SIMPLE BEQUESTS**

Include The Erie Community Foundation in your will or living trust with a straightforward bequest. You may qualify for an estate tax deduction based on the value of the gift. Specify the bequest as a fixed amount of cash, securities, or other assets, or designate a portion of your estate.

## **CHARITABLE REMAINDER TRUSTS**

Transfer assets to a charitable remainder trust to provide annual distributions to one or more beneficiaries for life or a set term. The remainder interest supports or adds to your Foundation fund.

## **CHARITABLE LEAD TRUSTS**

Transfer assets to a charitable lead trust, where your Foundation fund receives income for a lifetime or specific duration. Afterward, remaining assets are distributed to you or other beneficiaries.

## **CHARITABLE GIFT ANNUITIES**

Donate cash or assets to the Foundation in exchange for fixed payments for life, benefiting you and/or a designated individual. The remainder interest contributes to or enhances your Foundation fund.

## **LIFE INSURANCE/IRA BENEFICIARIES**

Designate the Foundation as the beneficiary of your retirement accounts or life insurance policy to avoid double taxation. Assets pass to your Foundation fund free of estate and income taxes. Transfer your life insurance policy irrevocably to the Foundation for potential tax benefits.



# Charitable Gift Annuities

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A charitable gift annuity is a transformative giving option offered by The Erie Community Foundation. It establishes a contract between you and the Foundation, where you donate cash or marketable securities, and the Foundation commits to providing you and up to one additional person (the beneficiaries) with a fixed income stream for the duration of your lives. Upon your passing, the remainder of the annuity becomes a lasting legacy of support for your community.

## WHY CHOOSE A CHARITABLE GIFT ANNUITY?

**Tax-Free Income** Cash-funded annuities yield predominantly tax-free income for several years. If funded with marketable securities, they can also offer some tax-free income, depending on the original purchase price.

**Income Tax Deduction** Receive an income tax deduction equivalent to the amount funded for the annuity, minus the present value of expected annuity payments. This deduction typically ranges from 30-50% of the funding amount.

**Create a Lasting Legacy** Establish your own charitable fund or designate your existing fund to receive the annuity's remainder, supporting causes you care about indefinitely. As your annuity is invested, the charitable remainder can result in a meaningful gift to your community.

## HOW CHARITABLE GIFT ANNUITIES WORK

**Minimum Funding Amount** \$25,000.

**Minimum Age of Annuitants** 60 (If you're 55 or older, payments can be deferred until at least age 60)

**Annuity Rate** The Foundation utilizes rates set annually by the American Council on Gift Annuities (ACGA), determined by the annuitants' ages. Rates are typically higher for one-life annuities than two-life annuities.

