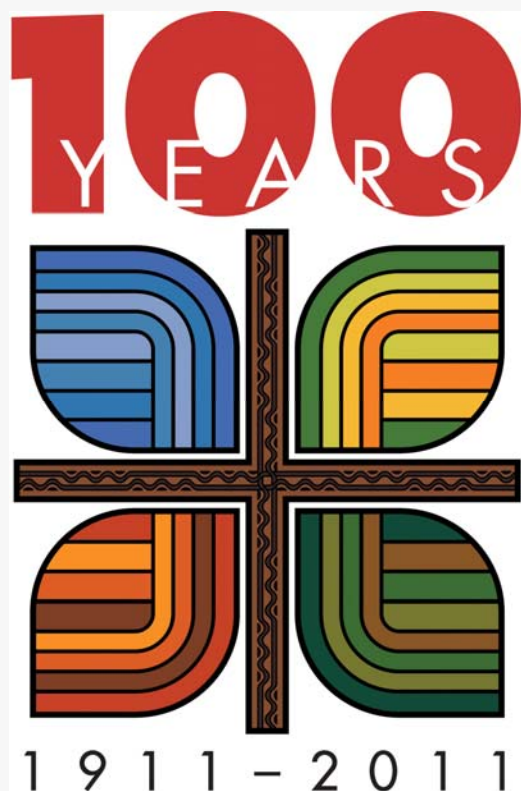


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*Make a Difference in the Lives that Follow*



Nancy L. Stefani, CFRE  
Gift Planning Consultant

Joan M. Bindel  
Development Director  
Diocese of Des Moines

[www.dmdiocese.org](http://www.dmdiocese.org)

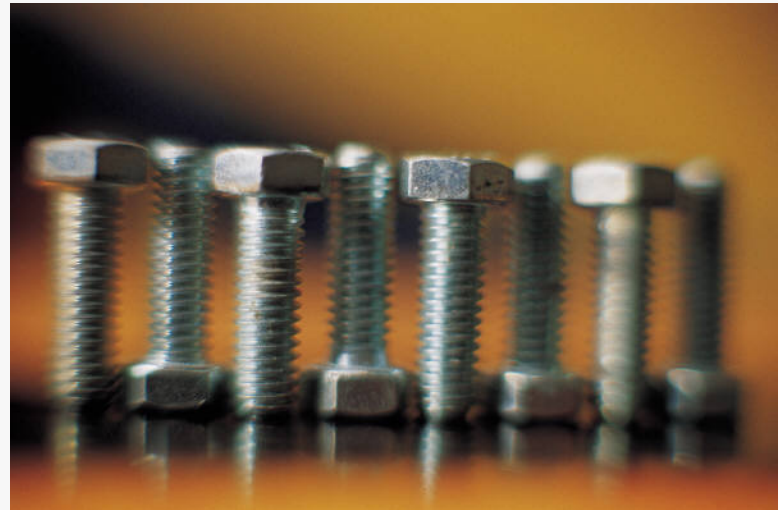
[www.leavealegacyiowa.org](http://www.leavealegacyiowa.org)



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# The Nuts and Bolts of CGA Workshops

- Getting started
- Marketing
- Pre-seminar steps
- Presentation
- Follow Up
- Questions



# Getting Started

- Are you registered with the Iowa Insurance Division?
  - <http://www.iid.state.ia.us/node/208>
- Iowa Code 508F
  - Years of operation - three years continuous operation (or be the successor or affiliate of an organization in operation for that period of time)
  - Minimum assets - the lesser of \$300,000 or five times the face value of total outstanding gift annuities in unrestricted cash, cash equivalents or publicly traded securities, not including the gift annuity funding assets



# Marketing

- Where to market
  - Ads in local paper
  - Announcements in newsletters or regular publications
  - Website
  - One liner at the bottom of your e-mail
  - Targeted gift annuity mailing to all donors over age 60



# Marketing Resources

Leave a Legacy<sup>®</sup>

## Samples

- Newsletter Article
- Radio Scripts
- Audio Files
- Power Point Background
- Letters
- Posters
- Brochures



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# Who are my prospects?

- 60 years of age or older
- Need security of income for retirement
- Relief of investment responsibilities
- Highly appreciated but low income-producing securities or other property.



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# Where Are My Prospects?



## Affiliated Groups

- Current Donors
- Alumni Events
- Volunteers
- Breakfast Clubs
- Local Service Organization
- Retirement Homes/Groups
- Senior Staff
- Auxiliaries
- Councils
- Committees



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# Event Planning

- Event date and location
- Guest List
- Invitations
- RSVP's
- Follow Up



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# Grab Their Attention!

- Are you 60 years of age or older and would like to double or triple your retirement income?
- Would you like 70 percent of that income to be tax free?
- Would you like to receive an annual income check from your parish?
- If you answered “yes” to any of the above questions...



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# Make it Special!

Father Chris Hartshorn cordially invites you to be his special guest for a complimentary luncheon on

**Thursday, October 20, 2011**

**11:30 a.m. – 1:30 p.m.**

St. Joseph Catholic Church

Parish Hall

1026 North 8th Avenue, Winterset

*Lunch and learn topic:*

***“The Gift That Increases Your Retirement Income”***

Presenters: Nancy L. Stefani, CFRE,

Diocesan Gift Planning Consultant

Joan Bindel, Diocesan Director of Development

Please RSVP to (515) 462-1111 by October 14.



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# Set Up

- Media needed
  - Microphone
  - Podium
  - Screen
  - LCD
  - Laptop
- Physical space
  - Registration table
  - Luncheon tables
  - Meal catering or preparation
  - Packets



# Packets

- Prepare a folder for each participant
  - Slide Presentation
  - Evaluation Form
  - Donor Bill of Rights
  - Charitable Gift Annuity Pamphlet
  - Charitable Gift Annuity Rate Chart
  - Business Card
  - Pens/Nametags

# Evaluation/Follow Up

- After each event we follow up with any participant who has asked for a complimentary illustration.



# The Gift That Increases Your Retirement Income

## *(Charitable Gift Annuity)*

Presenter:

**Nancy L. Stefani, CFRE**  
**Diocese of Des Moines**  
**Gift Planning Consultant**  
**(515) 240-4290**  
**nlstefanicfre@q.com**

*This program is sponsored through your generous gifts to the Annual Diocesan Appeal. Thank you!*



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**How many of you would like to  
receive an annual check from your  
parish/diocese for the rest of your  
life??**



**A Charitable Gift Annuity** is an agreement in which a donor makes a gift to their parish, diocese or other Catholic charities and in turn receives guaranteed annual income payments for the life of one or two persons.



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**A Single Life Gift Annuity** is based  
on the life of one person.



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**A Two-life or Joint Gift Annuity** is based on the lives of two persons. The gift is provided by both parties. Payments are made to both persons for life, then to the survivor. The rate is based on their ages and is determined by a two-life rate table.



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# Who can you name as a benefiting organization?

Parish  
Catholic School  
Catholic Charities  
Diocese of Des Moines  
Seminarian Fund  
Priest Pension Fund  
Many other parish/diocesan ministries



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# Charitable Gift Annuity

## One Income Beneficiary – Cash Gift

### Assumptions

Annuitant	Age 75
Property (cash)	\$5,000
Cost Basis	\$5,000
Annuity Rate	6.5%
Payment Schedule	Annually
(Donor's marginal tax bracket is 30%)	
Annual Payment	\$ 325
Charitable Deduction (35.2%)	\$ 1,759
Income Tax Savings (30% Bracket)	\$ 528
Cost after Tax Savings	\$ 4,472
Equivalent Rate of Return	10.5%

Based on 1.4%  
IRS Discount  
Rate,  
October 2011

### Breakdown of Annuity

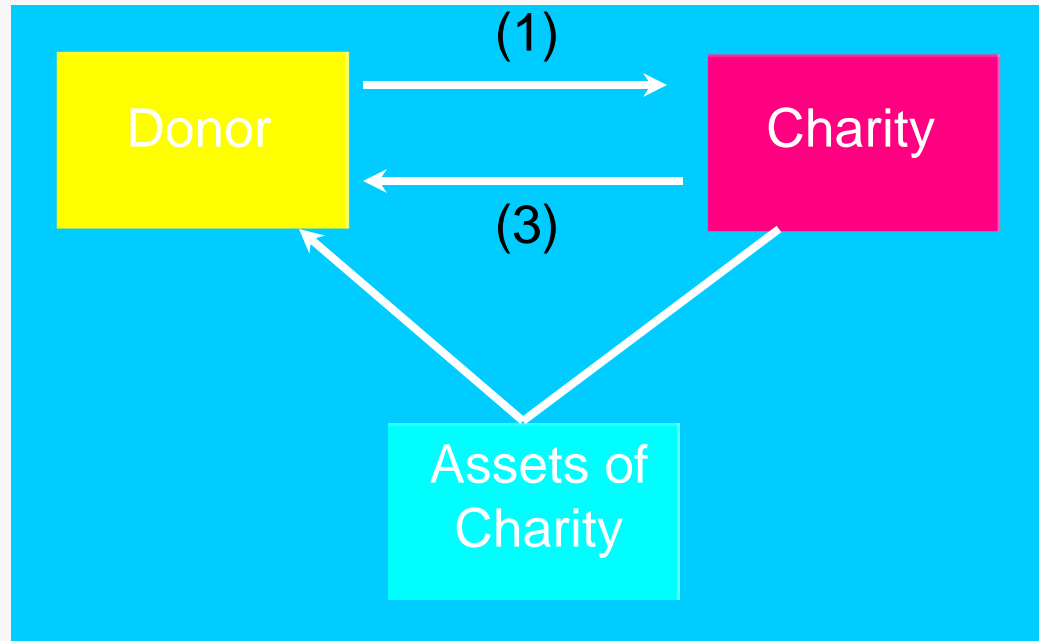
-Ordinary Income	\$ 55
-Tax-free Portion (for 12.0 years)	<u>\$270</u>
	<u>\$325</u>



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# Charitable Gift Annuity



- (1) Donor transfers \$5,000 to Charity.
- (2) Charity pays Donor annual payments of \$325 for life.
- (3) Donor receives charitable deduction of \$1,759 immediately and partially tax-free income of \$270 for the next 12.0 years. The equivalent rate of return is 10.5%.

# Example

75 year old donor and a \$5,000 gift

Investment	Annual Payout	Tax-Free Portion	Taxable Portion	Spendable Dollars After 30% Taxes
Charitable Gift Annuity	\$325	\$270	\$55	\$308.50
1% Savings Account	\$50	\$0	\$50	\$35
2% Certificate of Deposit	\$100	\$0	\$100	\$70

These calculations are based on annual payment and a 1.4 percent charitable midterm federal rate.



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# Questions, Thoughts or Comments ?



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# Charitable Gift Annuity

## Two-life Income Beneficiaries – Cash Gift

### Assumptions

Annuitants	Age 75 & 80
Property (cash)	\$5,000
Cost Basis	\$5,000
Annuity Rate	5.9%
Payment Schedule	Annually
(Donor's marginal tax bracket is 30%)	
Annual Payment	\$ 295
Charitable Deduction (29.5%)	\$ 1,477
Income Tax Savings (30% Bracket)	\$ 443
Cost after Tax Savings	\$ 4,557
Equivalent Rate of Return	9.4%

### Breakdown of Annuity

Based on 1.4%  
IRS Discount  
Rate,  
October 2011

-Ordinary Income	\$ 50
-Tax-free Portion (for 14.4 years)	<u>\$245</u>
	<u>\$295</u>



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# Questions, Thoughts or Comments ?



# What is appreciated property?

- Property held for at least one year and one day.
- Includes stock, securities, real estate, etc.
- Cost basis is the price paid for the property.
- Gifts of appreciated property are valued based on the current value of the property.



# Charitable Deduction Limits

- Cash - 50% - Adjusted Gross Income (AGI)
- Appreciated Property - 30% AGI
- Year of Gift Plus Five Additional Years



“Giving is a habit of the heart.  
It is not a tax-deduction.”

Ernie Wood



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# Charitable Gift Annuity

## One Income Beneficiary – Appreciated Property

### Assumptions

Annuitant	Age 75
Property (appreciated property)	\$5,000
Cost Basis	\$1,000
Annuity Rate	6.5%
Payment Schedule	Annually
(Donor's marginal tax bracket is 30%)	
Annual Payment	\$ 325
Charitable Deduction (35%)	\$1,759
Income Tax Savings (30% Bracket)	\$ 528
Cost after Tax Savings	\$4,472
Equivalent Rate of Return	8.8%

### Breakdown of Annuity

-Ordinary Income	\$ 55
-Capital Gains Income (total of \$2,593 to be reported over 12.0 years)	\$216
-Tax-free Portion (for 12.0 years)	<u>\$ 54</u>
	<u>\$325</u>

Based on 1.4%  
IRS Discount  
Rate,  
October 2011



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# Questions, Thoughts or Comments ?



# Charitable Gift Annuity

## Two-life Income Beneficiaries – Appreciated Property

### Assumptions

Annuitants	Age 75 & 80
Property (appreciated property)	\$5,000
Cost Basis	\$1,000
Annuity Rate	5.9%
Payment Schedule (Donor's marginal tax bracket is 30%)	Annually
Annual Payment	\$ 295
Charitable Deduction (29.5%)	\$ 1,477
Income Tax Savings (30% Bracket)	\$ 443
Cost after Tax Savings	\$ 4,557
Equivalent Rate of Return	7.7%

### Breakdown of Annuity

Based on 1.4%  
IRS Discount  
Rate,  
October 2011

-Ordinary Income	\$ 50
-Capital Gains Income (total of \$2,819 to be reported over 12.0 years)	\$235
-Tax-free Portion (for 14.4 years)	\$ 10
	<u>\$295</u>



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# Questions, Thoughts or Comments ?



# Who Benefits?

- Generally, persons 60 years of age or older.
- Committed persons wishing to give, but needing security of income for retirement.
- Persons wishing for their income stream to be continued but being relieved of investment responsibilities.
- Persons with highly appreciated but low income-producing securities or other property.



# Advantages to the Donor(s)

- The satisfaction of making a gift.
- Guaranteed fixed annual payments for life.
- Initial income tax deduction.
- Partially tax-free income for a specific period of years.
- Delayed capital gains tax.



# Questions, Thoughts or Comments ?



# GIFT ANNUITY

**“Giving away the vineyard,  
keeping the grapes.”**



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*“I’m sure they never planned on me celebrating my 100<sup>th</sup> birthday.”*

“Charitable planning is the process of doing better by doing good.”

Douglas K. Freeman



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# PEANUTS



By Charles M. Schultz

# Is this the gift for you?



- Do you need more income for your retirement years?
- Do you want to convert a non-income producing asset to a revenue stream?
- Do you want to earn 4.8% up to 9.8% while making a gift to your parish, school, Catholic Charities or other Diocesan ministries?

If you answered yes to any of these we may be able to help you meet your goals!

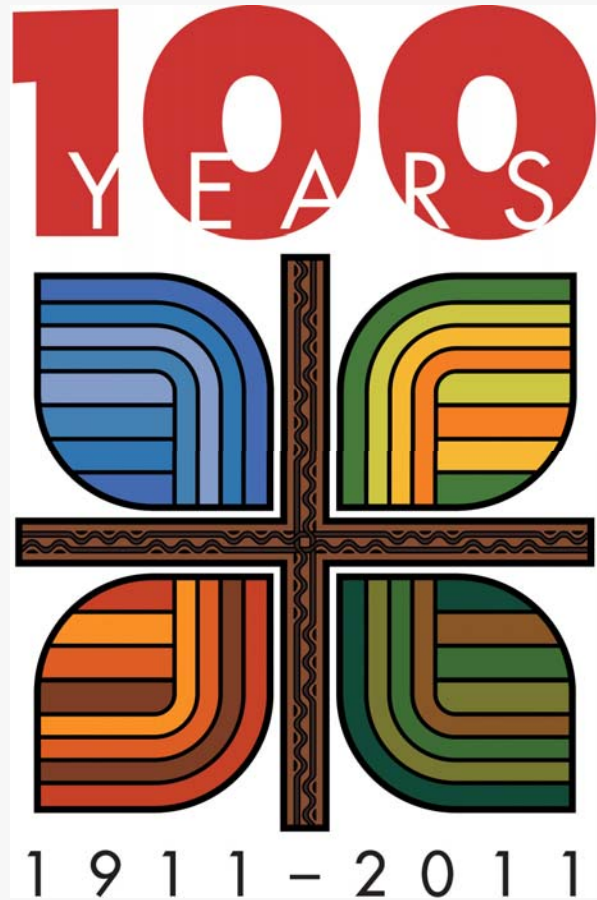
Helping others define their  
personal significance through  
philanthropy.



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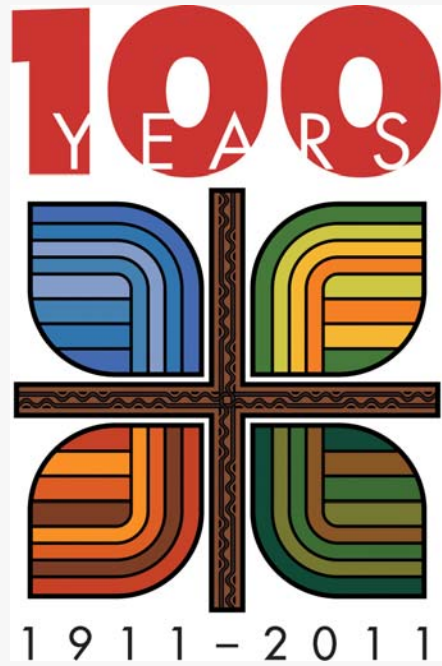
# Gift Planning Services



- All personal appointments and gift planning services are provided to you at no charge due to your generosity to the annual diocesan appeal. There is no cost or obligation to you to take advantage of our complimentary services.

# Questions, Thoughts or Comments ?





Thank You

You have been a great audience. Hopefully we have provided an informational opportunity of another way you can increase your retirement income, while making an effective charitable gift.



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“We make a living by what we get, but we make a life by what we give.”

-Sir Winston Churchill

