

Annuities

• **Gift Annuity** – What would you call a gift that, when it is given to Southwestern, gives you a substantial income tax deduction and continues to pay you and your survivor a guaranteed income for life? A good deal, some would say! Others just call this form of contribution a gift annuity. In exchange for a gift of cash or securities, Southwestern College will pay you and your survivor a guaranteed income for life. You receive a substantial income tax deduction in the year of the gift and part of the income may be tax-free. Upon your death, the gift remainder supports Southwestern College. Your income and tax deductions are based on your age.

• **Deferred Gift Annuity** – Similar to a gift annuity except that payments begin at a future date determined by you – at retirement for example. Your tax deduction and annual rate of return increase the longer you wait to start payments. This is a good retirement planning vehicle especially for self-employed people.

• **Charitable Remainder Trusts** – (Irrevocable) Annuity and Unitrusts) Donors can select the rate of return from these income arrangements and choose a fixed or fluctuating annual payment. Capital gains taxes are avoided and you will receive a tax deduction based on the age of the income recipient and rate of return.

• **Charitable Lead Trust** – In a charitable lead trust, assets are transferred to a trust that pays income from the fund to Southwestern College for an amount of years you determine. At the end of that time, the trust terminates and the assets are given back to the person(s) you name including yourself if that is your choice.

• **Revocable Charitable Living Trusts** – The gift can be taken back! Gifts should be made only on a permanent basis when it is in your best interest to do so. The revocable trust provides for gifts of cash, property, and/or income, while retaining the right to retrieve the property if necessary. For more information on Annuities contact Paul Bean at 800 846-1543, ext. 6286 or paul.bean@sckans.edu.