

Deferred Charitable Gift Annuity - One Life

Prepared for: Donor name

1

A. Input Assumptions

Date of transfer	<u>July 17, 2019</u>
Fair market value of property transferred	<u>\$ 100,000.00</u>
Nearest age on the date of the gift for <u>Beneficiary 1</u> is	<u>70</u>
Date of first payment	<u>4/1/2020</u>
Annuity starting date (payment period before 1st payment)	January 1, 2020
Annual annuity rate for immediate annuity	5.6%
Payment frequency	<u>Quarterly</u>
Prorate first payment or Full first payment?	<u>Prorate</u>
Deferred annuity interest adjustment factor	1
Annual annuity rate adjusted for deferral	5.6%
IRC Sec. 7520(a) election to use 6/2019 discount rate of	2.8%
The mortality table is based on the census taken in	2000

B. Present Value of Remainder Interest - One Life Deferred

1. Age nearest to date of transfer	<u>70</u>
2. Age nearest to annuity starting date	<u>70</u>
3. Value of Dx from IRS Pub. 1457, Table H based on	
(a) Line 1 age	10823.03
(b) Line 2 age	10823.03
4. Line 3(a) divided by Line 3(b)	1
5. Unadjusted value of \$1 of single life annuity from IRS Pub. 1457, Table S based on Line 1 age	11.0861
6. Adjustment factor based on payment frequency from Pub 1457, Table K	1.0104
7. Adjusted value of \$1 of single life annuity (Line 5 * Line 6)	11.2014
8. Value of \$1 of deferred single life annuity (Line 4 * Line 7)	11.2014
9. Annual annuity rate for deferred annuity	5.6%
10. Deferred annuity interest adjustment factor	1
11. Deferred annuity rate (Line 9 * Line 10)	5.6%
12. Net fair market value paid for annuity	\$100,000.00
13. Annuity amount payable on an annual basis (line 11 * Line 12)	\$5,600.00
14. Present value of annuity (Line 8 * Line 13)	\$62,727.84
15. Minimum value of annuity (lesser of Line 12 and Line 14)	\$62,727.84
16. Present value of remainder interest	\$37,272.16

Depending on the type of asset you contribute, a portion of your payment may be taxable to you as a combination of ordinary income, long-term capital gain, and a tax-free return of principal. This report has been calculated assuming a contribution of cash. Each of your next 15.9 years payments of \$5,600.00 will contain \$3,945.15 of tax-free income and \$1,654.85 of ordinary income. All income will be ordinary after 15.9 years.

NOTE: This calculation is provided for educational purposes only. The type of assets transferred, the actual date of the gift, and other factors may have a material effect on the amount or use of your deduction. You are advised to seek the advice of your tax advisors before implementing a gift of this type.

© Copyright 2019 by Sharpe Group. All Rights Reserved.

Source URL (retrieved on 07/17/2019 - 04:14): <https://ala.givingplan.net/deferred-charitable-gift-annuity-one-life>