

Life Income Plans

Charitable remainder trusts

The Keokuk Area Community Foundation can administer charitable remainder unitrusts and annuity trusts, both of which pay lifetime income to you or other named beneficiaries.

Establishing a trust is fairly easy. Cash or property is transferred to the trust. The beneficiaries receive annually an amount equal to a fixed percentage of the trust's fair market value (*unitrust*) or a fixed dollar amount (*annuity trust*).

Upon termination of the trust, the assets are transferred to your named charitable fund to support your individual or personal charitable giving goals.

Charitable gift annuities

A charitable gift annuity from the KACF is a means for you to receive a guaranteed income for life and an immediate income tax deduction, while at the same time, leaving a legacy to the church, charity or non-profit of your choice.

Through a charitable gift annuity, you receive a fixed stream of income for life.

After paying the lifetime annuity to you and your spouse, the remaining principal is transferred to your named charitable fund to accomplish your specific charitable goals.

Our payments to you are based on your age; the older you are, the higher the rate. If the annuity is for you and your spouse, the calculation is based on your joint ages.

If you need the income now, you can use our deferred plan and receive the income tax deduction now, but begin receiving payments when you reach a specific age.

Tax advantages of both a current and deferred annuity are:

- **First**, you receive an immediate income tax charitable deduction when you create your annuity. This is based on your age and annuity payout rate.
- **Second**, a portion of the payments you receive may be treated either as tax-free return of principal or long-term capital gains.

We would be pleased to provide a free, personalized analysis regarding your charitable gift annuity rate and tax deduction information. As these giving vehicles are complex and related to other estate planning, we encourage you to work with your lawyer or financial advisor as well.