

Charitable Gift Annuities

What is a Charitable Gift Annuity?

A charitable gift annuity enables you to make a gift and receive reliable, fixed payments for your lifetime. Charitable gift annuity rates are often higher than would be possible from other sources. You may make this kind of gift to provide income for yourself, or another person, such as a parent, friend or sibling. Ultimately, you receive the satisfaction that your gift will help ensure a strong future for the Aurora hospital or program of your choice.

How does a Charitable Gift Annuity work?

When you establish a gift annuity, a contract is made between you and the Aurora Charitable Foundation. You make a gift, and the Foundation agrees to pay a fixed, annual amount to you or up to two individuals that you select. Gift annuities can be established so payments begin immediately or start later. In either case, Aurora agrees to make fixed payments for the lifetime of the recipients.

What does it take to set up a Charitable Gift Annuity at Aurora?

Aurora Health Care Foundation accepts all gifts on behalf of Aurora hospitals and programs. For charitable gift annuities, the minimum gift amount is \$10,000 and the annuitants (the people receiving payments) must be at least 65 years old when payments begin.

Do annuity payments have to begin immediately?

No, if you do not currently need the income, you can establish the gift annuity now, but defer the start of your annual payments until a specified date in the future. You benefit in two ways. First, you receive a charitable deduction for the year of your gift. Second, for the time that payments are deferred, your rate grows—resulting in significantly higher payments than if the annuity had begun immediately.

How can Charitable Gift Annuities benefit Aurora hospitals or programs?

Gift annuities are particularly attractive to people who would like to make a sizeable gift but desire to receive income from their assets. Gift annuities are designed so that once the person receiving the annuity payments dies, the remaining amount in the annuity goes to support the Aurora hospital or program of your choice.

What are the payment rates?

The older the annuitant (person receiving payments) is, the higher the payment rate. Here are some examples of current rates for one annuitant:

Ages	Rate (%)
65	5.7%
70	6.3%
75	7.0%

Ages	Rate (%)
80	8.1%
85	9.1%
90+	10.1%

Here are examples of the rates for two annuitants. They are lower than rates for one annuitant who is of the same age because the joint life expectancy for two people is longer than the life expectancy of one person.

Ages	Rate (%)
65/70	5.2%
70/75	5.8%
75/80	6.5%

Ages	Rate (%)
80/85	7.3%
85/90	8.7%
90/95	9.9%

What is the risk?

The annuity payments are a general obligation of Aurora Health Care Foundation and Aurora Health Care.

How about the annuity payments—how are they taxed?

In most circumstances, a portion of every annuity payment will be tax-free, with the remaining portion taxed as ordinary income. When the annuity matures, the entire payment will be taxed as ordinary income until the annuity ends.

For more information:

John Holmberg, CFP®
Vice President, Gift Planning

630-379-3729
john.holmberg@aah.org

Office of Gift Planning
Aurora Health Care Foundation
2025 Windsor Drive
Oak Brook, IL 60523

aah.org/foundations

Tax ID: 39-6044569

Note: This information is intended to be for educational purposes and should not be considered legal, tax or accounting advice. You should consult with your professional advisors for applicability to your own situation.