



# Ways of Giving

To THE NATIONAL OUTDOOR LEADERSHIP SCHOOL

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## LIFE INCOME GIFTS—THE DONATION THAT PAYS YOU BACK

### *Charitable Gift Annuities*

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*Did you know that you can donate an asset to NOLS now and continue to receive income from that property? We call it a “life-income gift”—the gift that pays you back. As the name implies, a life income gift pays you income for life or a term of up to 20 years and lets you realize your philanthropic goals. These gifts pay income and often save taxes—income, capital gains and estate taxes—for you and your heirs.*

*This article discusses charitable gift annuities. Another type of life income gift is the charitable remainder trust, which is described in a separate article.*

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### CHARITABLE GIFT ANNUITIES

Of all the gifts that pay you back with a life income, the charitable gift annuity is the simplest. A gift annuity is a contract that you, the donor, sign with NOLS. Unlike a trust, you contribute your gift directly to NOLS. We then agree to pay you or your designated beneficiary a fixed income based on a percentage of the gift. Gift annuities come in all sizes, beginning with as little as \$5,000.

For example, you might contribute \$10,000 to NOLS. If your income is 7 percent of that gift, you will receive \$700 every year for the rest of your life. (Gift annuity payments can also be established for 2 lives—yours and your spouse’s.) Your payments are guaranteed by NOLS, regardless of how the gift annuity investments perform.

NOLS uses gift annuity rates established by the American Council on Gift Annuities. The annuity income beneficiary’s age is the deciding factor in determining the payment rate.

Gift annuities can be funded with cash or marketable securities. Depending on the type of asset used to fund the gift annuity, a portion of your gift annuity payments could be tax-free. In addition, you will receive a charitable income tax deduction for a portion of your gift annuity investment.

### Benefits of a charitable gift annuity frequently include:

- Simplicity,
- Guaranteed income for life,
- Payments guaranteed by NOLS,
- Current income tax charitable deduction,
- Partly tax-free income,
- Partial bypass of the penalty capital gains tax on the sale of appreciated assets,
- Estate tax savings, and
- A future gift to NOLS.

### DEFERRED PAYMENT GIFT ANNUITY

If future income is your goal, you can choose to delay income payments from your gift annuity. You make a gift directly to NOLS, and we guarantee you a fixed income based on a percentage of your gift. In this case, however, we defer income payments until a future date, usually when you expect to retire or incur college tuition expenses.

Because of this postponement, the payment to you is higher than the payment for a gift annuity that pays immediate income. The current income tax deduction is also higher. In addition, part of the principal used to make your gift eventually will be returned to you in the form of income payments, so part of your income will be tax-free.

# Life Income Gifts – Charitable Gift Annuities

The deferred gift annuity is especially attractive to donors still in high-income years who are looking for both tax deductions and additional sources of future income.

## Benefits of a deferred payment gift annuity:

- Simplicity,
- Higher guaranteed, fixed income than a current gift annuity,
- Partly tax-free income,
- Generous current income tax charitable deduction,
- Reduction of the penalty capital gains tax on the sale of appreciated assets, and
- Eventual gift to NOLS and wilderness education.

## JOIN THE NOLS SUMMIT TEAM

An additional benefit to using a charitable gift annuity to fund a donation is membership in the NOLS Summit Team, our recognition society for donors who include NOLS in their estate plans or other long-term giving strategies.

Through their generous commitments of current and future support, NOLS Summit Team members are creating a legacy for wilderness education.

## CALL NOLS FOR MORE INFORMATION

None of us donates to NOLS simply to save taxes. Each of us gives for personal reasons: a belief in the NOLS mission, a desire to preserve wilderness, a commitment to creating opportunities for wilderness and leadership education, or maybe a compelling interest in the school's past and future achievements. Regardless of your reason for donating, most individuals want to stretch their assets to do the most good for the most people.

Charitable gift annuities and other life income gifts are among the financial arrangements that allow donors to mesh philanthropic goals with personal and family financial obligations. We would welcome the opportunity to talk with you and your advisors about these and other tax-smart ways to achieve your goals.



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*This information is not intended as specific legal advice. Consult your attorney when considering any legal matter. State laws that govern wills and contracts may vary and are subject to change.*