



**NARAL**  
Pro-Choice America



# freedom of choice

## LEGACY CIRCLE NEWSLETTER

A CHARITABLE PLANNING GUIDE FOR FRIENDS OF **NARAL PRO-CHOICE AMERICA**

Giving—regardless of your reason or the method you choose—is a noble thing to do.

### THE GREAT ACT OF GIVING

People who support charitable organizations like NARAL Pro-Choice America or NARAL Pro-Choice America Foundation rarely give just for the sake of giving—out of the blue and with no prompting. They give because they believe. And they give because they are asked.

Your belief could be in a person, and so you earmark your gift to keep the memory of that individual alive. Or you may believe in giving back to a charitable organization such as ours.

If believing is the basis for giving, being asked often prompts the gift.

Please consider making an end-of-year gift to either NARAL Pro-Choice America or NARAL Pro-Choice America Foundation. We need your continued support.

#### BEST WAYS TO GIVE

There are multiple ways you can give to NARAL Pro-Choice America or NARAL Pro-Choice America Foundation, some simple and some are complex.

A bequest made through your will is probably the simplest way to support NARAL Pro-Choice America or NARAL Pro-Choice America Foundation without giving up resources that you may have to depend on. Charitable bequests to NARAL Pro-Choice America Foundation qualify for unlimited deductions from federal estate taxes.

Donating appreciated assets to NARAL Pro-Choice America Foundation now while you are living allows you to avoid estate and capital gains taxes, as well as receive an income tax deduction if you itemize. Life income arrangements let you give now instead of later, while providing tax breaks and lifetime income.

We would be happy to give you more information on any of these gift methods. Just give us a call today!



Pro-choice activists join Nancy Keenan, president of NARAL Pro-Choice America, to introduce the Freedom of Choice Act in Congress.

## INVEST IN A GIFT THAT GIVES BACK TO YOU AND SUPPORTS OUR MISSION

### PAYMENTS FOR LIFE

When you establish a charitable gift annuity with NARAL Pro-Choice America Foundation you'll receive numerous benefits, such as payments for life! To learn the additional benefits of establishing an annuity, return the enclosed reply card to receive our FREE brochure, *Invest in Our Future With a Charitable Gift Annuity*.

Establishing a charitable gift annuity (CGA) is a wonderful way for you to secure steady payments for yourself while providing benefits to a charitable organization like NARAL Pro-Choice America Foundation.

Although most people think of insurance companies when they think of annuities, we also offer annuities. They are called "charitable gift annuities" because, as a charitable organization, we make the payments to you for your lifetime. A CGA is a gift vehicle that pays you (and an additional annuitant, if you desire) a predetermined amount each year for life. The gift can be established with cash or securities, and in return you receive fixed annuity payments on a regular basis: quarterly, semiannually or annually.

There are two types of gift annuities: One begins making payments within a year of the gift; the other—a deferred gift annuity—begins making payments at a future time, at least one year after the gift annuity is established.

### THE FINANCIAL BENEFITS

Aside from providing a gift to us, your CGA will offer you many personal financial benefits unavailable with typical annuities.

#### Charitable income tax deduction:

The charitable income tax deduction varies, in part, according to your age—the older you are, the higher the deduction—and is taken in the year the gift is made for both the regular and deferred types of gift annuity.

#### Favorable capital gains treatment:

If you make the gift with appreciated property, such as publicly traded securities with a low cost basis, you generally avoid paying up-front capital gains taxes on the gift portion of the transfer.

**Tax-free portion:** Each payment you receive may be partially income tax-free, whether it commences now or in the future. For gifts established with appreciated property, each payment may also be partially taxed at lower capital gains rates.

**Lifetime payments:** You and a second individual, if a two-life annuity is desired, receive a fixed and secure amount for life. Payments are often higher than yields generated from stocks. Generally, the older the donor, the higher the payment. With a deferred charitable gift annuity, the donor's age and the time that payments begin will determine the annual rate to be received.

**Estate taxes:** If you are the sole annuitant, the income ceases at your death and is not included as part of your estate. If your spouse is the remaining annuitant, his or her interest may qualify for the estate tax marital deduction. If an individual other than a spouse, such as a sibling or child, is the remaining annuitant, the value of the remaining income interest is included in your estate for estate tax consideration.



NARAL Pro-Choice America president Nancy Keenan and Representative Carolyn Mahoney (D- NY) look on as Carrie Baker speaks at a press conference in support of the Access to Birth Control (ABC) bill.

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The information in this publication is not intended as legal advice. For legal advice, please consult an attorney. Figures cited in examples are based on current rates at the time of printing and are subject to change. References to estate and income tax include federal taxes only; individual state taxes may further impact results.

## Maximum Recommended Gift Annuity Rates

| ONE LIFE |       | TWO LIVES |       |
|----------|-------|-----------|-------|
| Age      | Rate  | Ages      | Rate  |
| 50       | 5.3%  | 50/55     | 4.7%  |
| 55       | 5.5%  | 55/60     | 5.0%  |
| 60       | 5.7%  | 60/65     | 5.5%  |
| 65       | 6.0%  | 65/70     | 5.7%  |
| 70       | 6.5%  | 70/75     | 6.1%  |
| 75       | 7.1%  | 75/80     | 6.6%  |
| 80       | 8.0%  | 80/85     | 7.3%  |
| 85       | 9.5%  | 85/90     | 8.4%  |
| 90+      | 11.3% | 90/95+    | 10.1% |

**Deferred retirement funds:** With this option, you establish a deferred gift annuity now and defer the payment stream to a later date, such as age 65 or 70, when you may no longer be earning an income and could find yourself in a lower income tax bracket. Because the payments are deferred, the rate you receive is significantly higher.

### FIGURING YOUR ANNUITY RATE

Annuity rates are higher for older annuitants and lower for younger annuitants, based on life expectancy. Rates are also adjusted according to the number of annuitants, with rates for two-life contracts often lower because of the extended life expectancy (*see above chart for examples*).

A specific annuity rate is a matter of agreement between you and our organization. Maximum rates are recommended by the American Council on Gift Annuities. Contact Steve I. Schneider, Esq. at (202) 530-4160 or [SSchneider@ProChoiceAmerica.org](mailto:SSchneider@ProChoiceAmerica.org) for current rates or more information.

## LAST-CHANCE OPPORTUNITY

IF YOU ARE AGE 70½ OR OLDER, YOU CAN USE YOUR IRA TO MAKE A GIFT TO NARAL PRO-CHOICE AMERICA FOUNDATION—BUT ONLY UNTIL DEC. 31, 2007

Under the Pension Protection Act of 2006, you can make a gift to us using funds from your individual retirement account (IRA) without incurring tax consequences. Accomplish the gift by simply contacting your IRA plan administrator—the transfer is not included in your taxable income and is not tax-deductible. You must meet these guidelines:

- You are age 70½ or older.
- Your gifts total \$100,000 or less.
- You complete the gifts on or before Dec. 31, 2007.
- You transfer funds directly from an IRA or Rollover IRA.
- You transfer the gifts outright to one or more public charities, but not supporting organizations or donor advised funds.

Please contact Steve I. Schneider, Esq. at (202) 530-4160 or [SSchneider@ProChoiceAmerica.org](mailto:SSchneider@ProChoiceAmerica.org) to find out more about this opportunity that enables you to witness the far-reaching benefits of your generosity.



A pro-choice activist in New Hampshire in June 2007 for the first presidential debates in that state.

Aside from providing a gift to us, your charitable gift annuity will offer you many personal financial benefits unavailable with typical annuities.

*Recommended Bequest Language For NARAL Pro-Choice America, Inc. and NARAL Pro-Choice America Foundation, Inc.*

**To NARAL Pro-Choice America, Inc.:**

"I hereby give, devise and bequeath \_\_\_\_\_ (the sum of \$\_\_\_\_\_, or \_\_\_\_\_percent of my estate, or \_\_\_\_\_percent of my residuary estate or the proceeds from the sale of real estate by my estate that I own located at \_\_\_\_\_) to NARAL Pro-Choice America, Inc., a nonprofit District of Columbia corporation exempt from Federal taxation under Section 501(c)(4) of the Internal Revenue Code, currently located at 1156 15th Street, NW, Suite 700, Washington, DC 20005, Federal tax ID #13-2630359."

**To NARAL Pro-Choice America Foundation, Inc.:**

"I hereby give, devise and bequeath \_\_\_\_\_ (the sum of \$\_\_\_\_\_, or \_\_\_\_\_percent of my estate, or \_\_\_\_\_percent of my residuary estate or the proceeds from the sale of real estate by my estate that I own located at \_\_\_\_\_) to NARAL Pro-Choice America Foundation, Inc., a nonprofit District of Columbia corporation exempt from Federal taxation under Section 501(c)(3) of the Internal Revenue Code, currently located at 1156 15th Street, NW, Suite 700, Washington, DC 20005, Federal tax ID #52-1100361."

*Gifts to NARAL Pro-Choice America, Inc., a 501(c)(4) organization, are not tax-deductible. Donations to NARAL Pro-Choice America, Inc. may be used for political purposes, such as supporting or opposing candidates. NARAL Pro-Choice America, Inc. does not accept contributions from business corporations or labor organizations. Gifts to NARAL Pro-Choice America Foundation, Inc., a 501(c)(3) charitable organization, are tax deductible to the extent allowed by law.*

## DISCOVER THE TAX BENEFITS OF YEAR-END GIVING

Do you have additional income this year, perhaps from an extra bonus or from selling some investments?

If so, your tax planner may advise you to do some charitable tax planning before year-end to lower your taxable income. Please consider NARAL Pro-Choice America or NARAL Pro-Choice America Foundation when evaluating your options. ***Please note that gifts to NARAL Pro-Choice America are not tax-deductible and may be subject to taxes. Gifts to NARAL Pro-Choice America Foundation are tax-deductible to the extent allowed by law.***

To reduce your taxable income this year, consider making a cash gift. Cash gifts to NARAL Pro-Choice America Foundation are deductible up to 50 percent of your adjusted gross income.

Another simple charitable gift to make to either NARAL Pro-Choice America or NARAL Pro-Choice America Foundation before year-end is a gift of appreciated stock. Maybe you have stock you were contemplating selling, but you just haven't had the time to sell it. If so, instead of selling the stock and incurring potential capital gain income, give the stock to NARAL Pro-Choice America Foundation. The value of the stock given to NARAL Pro-Choice America Foundation is deductible in the year of the gift to the extent that the stock's value doesn't exceed 30 percent of your adjusted gross income. Any excess deduction can be used in the next five years.

Alternatively, you might consider making a "planned" gift to benefit you and NARAL Pro-Choice America Foundation before year-end. Planned gifts can provide you with lifetime income and improve your tax situation. Planned gifts, however, are generally not fully deductible as an outright gift, so depending on the amount of your tax deductions and income needs, you may prefer to make a direct gift.

Be sure to have the gift finalized and postmarked by midnight on Dec. 31 to count against this year's taxable income. If you prefer to make a gift with a credit card, you can deduct the gift in the year the charge is incurred—even if the bill is not paid until the following year. For planned gifts, be sure to have all the documents signed and implemented by the end of the year.

We can help you decide the best charitable gift for your situation. Contact Steve I. Schneider, Esq. at (202) 530-4160 or at [SSchneider@ProChoiceAmerica.org](mailto:SSchneider@ProChoiceAmerica.org) for more information.



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