

# Deferred Charitable Gift Annuity - Two Life

Prepared for: Donor name

## A. Input Assumptions

Date of transfer	September 17, 2019
Fair market value of property transferred	\$100,000.00
Nearest age on the date of the gift for Beneficiary 1 is	85
Nearest age on the date of the gift for Beneficiary 2 is	85
Date of first payment	December 30, 2015
Annuity starting date (payment period before 1st payment)	September 30, 2015
Annual annuity rate for immediate annuity	6.4%
Payment frequency	Quarterly
Prorate first payment or Full first payment?	Prorate
Deferred annuity interest adjustment factor	1.0325
Annual annuity rate adjusted for deferral	6.6%
IRC Sec. 7520(a) election to use 7/2019 discount rate of	2.6%
The mortality table is based on the census taken in	2000

## B. Present Value of Remainder Interest - Two Life Deferred

	1st Annuitant	2nd Annuitant
1. Age nearest to annuity starting date	81	81
2. Age nearest to date of transfer	85	85
3. Value of Dx from IRS Pub. 1457, Table H based on		
(a) Line 1 age	5963.861	5963.861
(b) Line 2 age	3889.808	3889.808
4. Line 3(a) divided by Line 3(b)	1.533202	1.533202
5. Value of Lx from IRS mortality table based on		
(a) Line 1 age	47694	47694
(b) Line 2 age	34471	34471
6. Line 5(a) divided by Line 5(b)	1.383598	1.383598
7. Unadjusted joint life deferred discount factor (Line 4 above * Line 6 in other column)	2.121335	2.121335
8. Unadjusted value of \$1 of single life annuity from Pub. 1457, Table S based on Line 1 age	6.8085	6.8085
9. Adjustment factor based on payment frequency from Pub. 1457, Table K	1.0097	1.0097
10. Adjusted value of \$1 of single life annuity (Line 8 * Line 9)	6.8745	6.8745
11. Value of \$1 of deferred single life annuity (Line 4 * Line 10)	10.54	10.54
12. Factor from Table R(2) (for remainder interest)		0.76169
13. 1.00000 minus Line 12 (factor for life estate)		0.23831
14. Unadjusted value for \$1 of joint and survivor annuity (Line 13 divided by AFR = factor for annuity)		9.1658
15. Adjusted value of \$1 of joint and survivor annuity (Line 9 * Line 14)		9.2547
16. Adjusted value of \$1 of joint life annuity (Line 10 (1st) + line 10 (2nd) - Line 15)		4.4943
17. Sum of Line 7 for first and second annuitant		4.24267
18. Deferred discount factor (1/2 of Line 17)		2.121335
19. Value of \$1 of deferred joint life annuity (Line 16 * Line 18)		9.5339
20. Value of \$1 of deferred annuity (Line 11 (1st) + Line 11 (2nd) - Line 19)		11.5461
21. Annual annuity rate for immediate annuity		6.4%

**B. Present Value of Remainder Interest - Two Life Deferred**

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22. Deferred annuity interest adjustment factor	1.0325
23. Deferred annuity rate (Line 21 * Line 22)	6.6%
24. Net fair market value paid for annuity	\$100,000.00
25. Annuity amount payable on an annual basis	\$6,600.00
26. Present value of annuity (Line 20 * Line 25)	\$76,204.26
27. Minimum value of annuity (lesser of Line 24 and Line 26)	\$76,204.26
28. Present value of remainder interest (Line 24 - Line 27) the Income tax deduction	<b>\$23,795.74</b>

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 9.5 years payments of \$6,600.00 will contain \$5,097.70 of tax-free income and \$1,502.30 of ordinary income. All income will be ordinary after 9.5 years.

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**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.**

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