

Leaving a Legacy

through



THE CHARITABLE GIFT ANNUITY PROGRAM

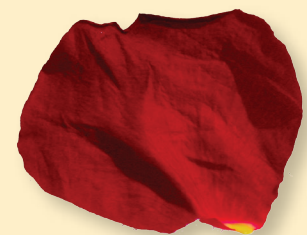
“ If a wealthy man at the time of his death bequeaths a gift to the poor and miserable, and gives a part of his wealth to be spent for them, perhaps this action may be the cause of his pardon and forgiveness, and of his progress in the Divine Kingdom.”

- Abdu'l-Bahá

In addition to regular and sustained contributions to the National Bahá'í Fund many Bahá'ís are choosing Charitable Gift Annuities as an option to transfer a portion of their financial wealth in the form of cash assets during their lifetime to the National Spiritual Assembly, leaving a legacy to be used for the future progress and financial security of the Faith.

The Charitable Gift Annuity (CGA) is an irrevocable gift that falls into the category of Planned Giving. It involves a contract between a named Bahá'í donor and the National Spiritual Assembly (NSA). All participants involved in the contract must be Bahá'ís. The person who contributes an asset for the annuity is called the "donor", and the person who receives payments is called the "annuitant". Usually, the annuitant is also the donor, but this is not always the case. The maximum number of annuitants that can enter the contract is two; payments can be made to them jointly or successively.

The CGA enables the donor to leave a legacy to the Bahá'í Faith by transferring an irrevocable gift of cash or marketable securities in the amount of \$10,000 or more to the NSA naming the NSA as irrevocable beneficiary of the annuity. The NSA promises to make fixed annuity payments to the annuitant(s) for life. At the demise of the annuitant(s) the remainder of the gift is transferred to the National Bahá'í Fund; therefore the annuitant exercises the privilege of leaving a legacy to the Faith. The National Spiritual Assembly currently offers two types of annuities:



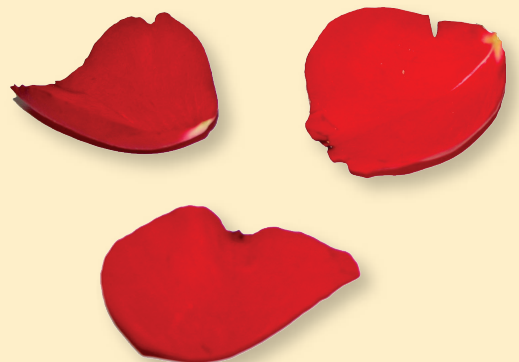
Immediate Annuity: Immediate annuity payments begin immediately for those annuitants age 60 or older. Current fixed rates for immediate annuities range from 4.4% to 9% annually depending upon the age of the annuitant. These rates are higher if an annuitant age 60 or older chooses the deferred annuity described herein.

Deferred Annuity: Deferred annuity payments begin at a chosen specified date in the future after the annuitant(s) reach the age of 60. Therefore, Bahá'ís age 25 through 59 as well as those 60 and older qualify for a deferred annuity specifying the date in the future those payments will ensue. There are a wide range of rates available for this type of annuity.

The amount of interest earned on both annuities is determined by the annuitant(s) age at the date of inception into the program and the date the payments begin.

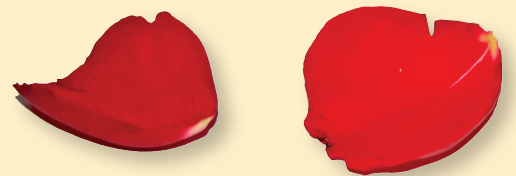
Donors who itemize deductions on their income tax returns are eligible for a charitable deduction on a portion of the original gift. This deduction can result in significant income tax savings. The deduction is equal to the amount of the contribution less the present value of the payments that will be made to the donor and/or joint beneficiary during their life expectancy. The charitable deduction allowed for the year in which the gift is made can be spread over a five year period if the charitable deduction amount exceeds 50% of the of the adjusted gross income of the donor. The remainder of the charitable deduction is spread over the life expectancy of the annuitant(s) through the allowed tax-free portion of the lifetime income payments.

The NSA will send a Form 1099-R to the annuitant at the end of each calendar year specifying the total amount of the annuity payments; the non-taxable amount of the annuity payments; and the taxable amount of the annuity payments that should be reported for income tax purposes.



In addition to one's desire to leave a legacy to the Faith, some considerations for choosing an annuity are:

- You wish to have additional income after retirement for living expenses and/or for continuing sustained contributions to the Funds of the Faith.
- The interest rates on your CDs and other fixed-income investments have declined, and you would like to increase your cash flow.
- You would like to count on lifetime fixed payments, which are unaffected by interest rates and stock prices.
- You want to assure continuation of payments to a surviving spouse by gifting to a joint annuity.
- You would like to provide financial assistance to an elderly parent, a sibling, an adult child or other person in a tax-advantaged manner.
- Please note: If your financial circumstances improve greatly over the years you may wish to consider severing your annuity, ceasing your payments, and transferring the annuity balance to the National Spiritual Assembly. As this gift is irrevocable, it can only be severed/transferred to the National Spiritual Assembly for the benefit of the National Baha'i Fund.
- Annuity applications and additional annuity information can be found on our website at **www.mybahaifund.us/plannedgiving**
Please contact our office for current annuity rates and a personal financial summary for your chosen annuity.



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