



CROSSROADS

Ideas for Giving for Friends of the Arkansas Sheriffs' Youth Ranches

THIS GIFT LASTS A LIFETIME

Given the recent volatility of the stock market and declining interest rates, many people are looking for a way to ensure reliable income for themselves and their loved ones.

In light of this, you may be interested in the charitable gift annuity, a gift option that features fixed payments for the life of one or two persons. Many have used gift annuities as a way to make gifts while helping to maintain a comfortable lifestyle.

The charitable gift annuity is a popular plan that has been around for over a century. Under its provisions, you make a charitable gift to Arkansas Sheriffs' Youth Ranches which, in turn, assures you (and/or others you name) lifetime payments that will not decrease in size, regardless of economic conditions.

WELCOME BENEFITS

For those wishing to increase their cash flow from assets that do not produce a satisfactory return, the gift annuity enables them to



accomplish this objective. Other appealing advantages include:

- Reliable payments you cannot outlive.
- Significant savings on gift, estate, income, and capital gain taxes when you create a gift annuity.
- Part of each income supplement is entirely free of federal income tax for a specified number of years.
- Removal of assets from your taxable estate while you enjoy assured lifetime payments.

MORE INFORMATION

This issue of *Crossroads* helps you discover the convenience, versatility, and flexibility that can be yours through long-range financial planning and selected charitable gifts.



INSIDE

- Ways to receive payments
- Extra income for retirement
- How to leave a legacy

WAYS TO RECEIVE PAYMENTS

If you are interested in making gifts that feature retained payments, there are a variety of ways that you and/or your loved ones can benefit.

Payments are made to one person. Also known as a one-life or single-life gift annuity, you can supplement your retirement income or that of a loved one.

Payments are made to you and another person. You and another person receive payments for as long as either of you lives. For example, the joint annuity

often appeals to married couples because payments do not stop with the passing of the first spouse.

Payments are made to any one or two persons you name. Gift annuities can work especially well when you wish to create an income supplement for one or two persons other than yourself. You claim a charitable tax deduction immediately, and the person or persons you choose receives income for life.



You can supplement your income as you give to Arkansas Sheriffs' Youth Ranches.

SUPPLEMENT YOUR RETIREMENT INCOME

Entering into a series of gift annuities with the Ranches can be a useful way to build your retirement income over time.

You can give for a gift annuity each year or as often as you like. Each later annuity generally results in a higher payment, as the table at right shows.

You can give for your first gift annuity before or during retirement. Payments begin immediately. If you do not yet need them, the payments can be reinvested as you choose for additional retirement income later. In other instances, payments can be postponed until you are a particular age, if desired.

Unlike contributions made to an Individual Retirement Account (IRA) or other similar retirement plan, funds transferred for a gift

annuity cannot be returned to you. You will, however, receive a charitable income tax deduction for the gift portion of each annuity.

An Increasing Income Stream Using Multiple Gift Annuities

Age When \$10,000 Gift Annuity Is Created	Approximate Charitable Deduction	Gift Annuity Rate	Annuitant Receives Annually
65	\$2,700	6.0%	\$600
70	3,300	6.5	650
75	3,900	7.1	710

Total received in payments each year after age 75 \$1,960

Part of each payment will also be free of income tax for a period of years—not generally true of retirement plan withdrawals.

Please consider including the Ranches in your will. Thank you!

IS A GIFT ANNUITY FOR YOU?

A charitable gift annuity with Arkansas Sheriffs' Youth Ranches is easy to establish. Once you transfer funds to set up a charitable gift annuity, you will receive regular payments for the rest of your life. If you prefer, payments may continue for the life of your spouse or another person as well.

RELIABLE PAYMENTS

Your fixed payments are backed by the available assets of the Ranches. You have the assurance of stable cash flow, as the payment amount will never decrease, regardless of economic conditions.

This is particularly gratifying these days, when so many have watched their income from investments fluctuate. The chart on page four lists sample rates.

TAX BENEFITS

When you create a gift annuity, you are entitled to an immediate income tax deduction if you itemize deductions on your income tax return. In addition, each payment is partially tax-free for a number of years.

Because the gift is made to the Ranches during your lifetime, the amount used to fund a gift annuity for you and/or your spouse generally will not be included in your taxable or probate estate.

A TYPICAL EXAMPLE

Janet, 77, has \$10,000 in assets from a CD that will mature soon and securities she has owned for 10 years that have grown in value. The combination of these investments produces less than \$300 in income.

If Janet establishes a charitable gift annuity with Arkansas Sheriffs' Youth Ranches, her yearly income would more than double to \$740. In addition, she does not pay tax on the capital gain in the securities when she gives them.

Although part of the capital gains tax will be due eventually, it will be paid over her life expectancy and received as a portion of her income payments. This results in her payments being taxed at lower rates than other income she receives.

Other benefits Janet receives include an immediate income tax deduction of over \$4,000 and, for the first 11 years, over two-thirds of each payment Janet receives is tax-free.

Through her gift annuity, Janet is able to meet an important financial goal while at the same time making a contribution to support the work of the Ranches.

For more information about establishing a gift annuity, simply return the enclosed reply card. We will be happy to send a personalized illustration at no obligation.

UNLOCK INCOME FROM LOW-YIELDING SECURITIES

You may want to fund your gift annuity with stocks, bonds, or other assets that have increased in value. When you give appreciated property, you also:

- Increase spendable income from low-yielding assets.
- Receive a tax deduction for part of the value of the asset.
- Partially avoid capital gains tax that would be due on a sale.
- Spread any capital gains tax that might be due over your life expectancy.
- Conserve your cash for other needs.

The purpose of this publication is to provide general gift, estate, and financial planning information. It is not intended as legal, accounting, or other professional advice. For assistance in planning charitable gifts with tax and other financial implications, the services of appropriate advisors should be obtained. Consult an attorney for advice if your plans require revision of a will or other legal document. Tax deductions vary based on applicable federal discount rates, which can change on a monthly basis. Some opportunities may not be available in all states. ©MMVIII RFSCO, Inc. All Rights Reserved. NAXX-08

LEAVE A LEGACY FOR A CHILD

Would you like to create an income for yourself and/or a loved one today, and leave a legacy for a child's tomorrow?

Charitable gift annuities can be funded with gifts of cash, securities, real estate, and other assets, including business interests. When you establish such a life income gift with Arkansas Sheriffs' Youth Ranches, you ensure that the future of the children at the Ranches will be protected while you benefit from tax savings and a dependable fixed income for life.

Gift annuities can be created now, or they can be established later through a bequest in your will to provide income for a loved one.

Please consider remembering the Arkansas Sheriffs' Youth Ranches in your will to help provide a future for abused, abandoned, and neglected children.

If you are still working and do not need extra income now, you can defer the annuity payments until after retirement and increase your payment rate.

Contact Fred Hueston at 501-681-6501 for more information.



ACT NOW! RATES WILL DECREASE JULY 1

Current Rates

Sample Annuity Payments for a \$10,000 Gift*

Age	Rate	Annuity	Tax Deduction
60	5.7%	\$570	\$1,950
70	6.5%	\$650	\$3,196
80	8.0%	\$800	\$4,469

**These figures are for illustration purposes only.
Based on an AFMR of 3.4%
Minimum age: 50 • Minimum gift: \$5,000*

Sample Annuity Payments for a \$10,000 Gift*

New Rates—July 1

Age	Rate	Annuity	Tax Deduction
60	5.5%	\$550	\$2,232
70	6.1%	\$610	\$3,615
80	7.6%	\$760	\$4,746

**These figures are for illustration purposes only.
Based on an AFMR of 3.4%
Minimum age: 50 • Minimum gift: \$5,000*



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A PLACE TO CALL HOME