

# VITAE

## Visions and Values

for Future Generations



News and Ideas for Friends of Vitae Foundation

Spring 2011

## Supporting Vitae and Life

By Donna Armstrong

As a child, my friends and I heard stories about abortion, but at that time, none of us really understood what the term “abortion” meant. As I grew in knowledge, I began to realize that a baby was being aborted, but again, I gave it little thought. That was something that neither my friends nor I had any reason to deal with or even think about. Abortion was around but shoved out of society’s sight.

By the time I was married, I knew that babies were being killed, but swallowed the line that abortion was OK in cases of rape, incest or to save the mother’s life. In fact, I even remember hearing myself spouting that politically correct line.

As a married adult with two young children under 3, I became a Christian and began to study what God had to say in His Holy Bible. Jeremiah 1:5 says, “Before I formed you in the womb I knew you, before you were born I set you apart.” Reading other Bible verses along the same line, I finally learned to think for myself.

### A constitutional right to life

Rationally, how can the murder (Sixth Commandment) of an innocent life be justified under any circumstances, and especially as a means of birth control? Regardless of how or when a baby is conceived, that child deserves the constitutional right to life and the pursuit of happiness. Each of us can be thankful that our mothers chose to carry us to full term regardless of the inconvenience or embarrassment it might have caused.

I am really not sure how I first heard about Vitae, but I do remember seeing a billboard or two along the highway and once saw an ad in a newspaper. Then a friend invited me to a Vitae banquet. Being curious, this was my opportunity to learn more.

As a supporter of pro-life organizations, I was very pleased to learn that Vitae was organized to inform women in unplanned pregnancies that they have alternatives to abortion. Through advertising, pregnant

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## Make Assets Work for You and Others

Through a charitable gift annuity with Vitae Foundation you can make a gift while you also:

- Enjoy generous payments that will continue as long as you live.
- Unlock spendable income from low-yielding assets.
- Help support a sibling, parent, or other loved one.
- Reduce or eliminate gift, estate, and income taxes.

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# How Gift Annuities Work for You

Gift annuities are a simple and convenient way to make a gift to Vitae Foundation. Under the terms of a gift annuity, you make a gift of cash or other appropriate assets in a way that allows you to retain payments for the remainder of your lifetime.

If desired, you can also provide for payments that continue for the life of one other person or direct that the payments be made to one or two others you name.

## How much are the payments?

Gift annuity payments vary according to the age of the annuitant (person who receives payments) at the time the annuity is funded. See the chart at right for examples of rates for one or two persons. Generally, the older you are when you fund your gift annuity, the higher your payments will be.

## What stands behind the payments?

Under state law, all of the available assets of Vitae Foundation serve to back the annuity payments.

## Enjoy generous tax savings

Although tax savings rank low on the list of reasons why most people make charitable gifts, such benefits nonetheless provide added incentive for those who choose to give.

Charitable gift annuities offer a number of ways to reduce or eliminate gift, estate, and capital gains tax, such as:

- A portion of the amount contributed for a gift annuity is deductible for federal income tax purposes.
- There can be additional income tax savings depending on your state of residence.
- Capital gains tax can be lowered and delayed when property that has increased in value is used to fund a gift annuity.
- Gift annuity payments can be taxed more favorably than many other sources of income.
- Assets used to fund gift annuities are typically removed from your taxable estate.
- Gift, estate, or capital gains tax considerations may arise in some cases where a gift annuity is created for someone other than a spouse.

## Additional benefits

A gift annuity can be an excellent way to enjoy income tax savings today while assuring that the amounts used to fund the annuity will never be subject to estate tax.

## Gift Annuity Payment Rates

<i>Selected Rates for One Person</i>		<i>Selected Rates for Two Persons of the Same Age</i>	
Age	Rate	Ages	Rate
90+	9.5%	90/90	8.3%
85	8.1	85/85	7.1
80	7.2	80/80	6.3
75	6.4	75/75	5.7
70	5.8	70/70	5.4
65	5.5	65/65	5.1

*For illustrative purposes only.  
Please write for current benefits and rates for other ages.*

**A charitable gift annuity offers ways to reduce or eliminate gift, estate and capital gains tax.**

# Giving for Maximum Income

To receive the greatest possible benefit from a gift annuity, it is important to think carefully about the property used to make your gift. Consider the following assets as you decide what might offer the greatest opportunity for you:

- Cash or the proceeds from bonds, certificates of deposits, and other investments that may be providing less income in today's environment.
- Stocks, bonds, or mutual funds that are worth more than you paid for them but yield little or no income. Because capital gains tax is not due at the time you fund a gift annuity for yourself and/or a spouse, this can be a good way to make a gift while increasing your spendable cash flow.
- Withdrawals from retirement plans you may be required to make in the future. A gift annuity can offer a way to set aside more of such funds to provide future income, while reducing taxes that would otherwise be due today.

We will be pleased to talk with you and your advisors as you consider which asset might be best for you to use to fund a gift annuity.

## Provide for Yourself and Others

You may create a gift annuity for your life only, your life and that of your spouse, or the life of one or two other persons. The following examples illustrate just a few of the possibilities.

### Payments for one person

Martha, 81, decides to fund a gift annuity using \$25,000 in cash. At her age she receives payments from her gift annuity equal to 7.4 percent of the amount contributed. She is also entitled to an income tax deduction of almost \$13,000, and for the first eight years she will pay income tax on less than one-third of her payments.

### Payments for two lives

George and Susan, ages 80 and 85, decide to use stock that pays no dividends to fund an annuity that will continue payments for both of their lives. They are entitled to payments equal to 6.6 percent of the amount transferred as well as a generous tax deduction. In addition, the value of the annuity will be completely removed from their probate and taxable estate.

### Income for other loved ones

Barbara decides to create a gift annuity with Vitae that will make payments to her sister for the rest of her sister's life. Barbara will be entitled to an income tax deduction for a portion of the amount contributed. In addition, she enjoys the knowledge that her sister will receive payments that are backed by all of the assets of Vitae Foundation.

## Charitable IRA Highlights

A special provision that allowed those 70½ and older to direct gifts from traditional and Roth IRAs to charity has been reenacted through December 31, 2011.

Many people who did not anticipate using these funds for personal needs have found this to be a very tax-wise way to support their charitable interests.

Qualified transfers up to \$100,000 may be made in this fashion. Funds transferred can count towards any minimum required distributions and are not subject to income tax.

While no separate charitable deduction may be claimed, not having the charitable distribution subject to income tax is the equivalent of a 100 percent tax deduction.

Every donor over 70½ with an IRA who enjoys making charitable gifts should consider this special opportunity. According to a national survey, qualifying IRA transfers have ranged from \$25 to \$100,000.

# Supporting Vitae and Life

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women are directed to local Pregnancy Help Centers. After attending that benefit dinner, I added Vitae to a growing list of charities I support.

## A way to give and receive

In today's economic environment we all need to be aware of our personal finances. I have found that a charitable gift annuity is a great way to give and receive. By giving through a charitable gift annuity I provide support to Vitae, and receive quarterly payments for life. This is a way of providing additional support that is put to use for a cause in which I fully approve. Another big benefit is that a portion of the gift is tax deductible.

In full recognition that this annuity will not be part of my living trust and being pragmatic, I choose to use the money I have managed to accumulate in my 82 years in ways that I consider fitting to my personal revelation of God's intent for human life. May God continue to bless Vitae in ways beyond our present understanding. All will be revealed in the end.

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If you would like to make a bequest to Vitae Foundation, here is some important information to take to your attorney.

**Our legal name is:** Vitae Foundation

**Our legal address is:** 1731 Southridge Drive, Suite D,  
Jefferson City, MO 65109

**Our Tax identification number is:** 43-1138252

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You can provide for the future of Vitae Foundation while you also accomplish other important personal and financial goals. We will be pleased to assist you and your advisors as you consider the charitable dimension of your long-range estate plans. For more information, in confidence and with no obligation, please contact:



Mark V. Kleene

Mark V. Kleene

Special Gifts Director

Vitae Foundation

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For more information about making a gift to Vitae Foundation through a charitable gift annuity, as Mrs. Armstrong has done, please return the enclosed card or call Mark Kleene at the number below.