



JAMES S. LUCKEY
SOCIETY

HOUGHTON
COLLEGE

WINTER 2018
NEWSLETTER

THE PLANNED GIVING NEWSLETTER OF HOUGHTON COLLEGE AND THE JAMES S. LUCKEY SOCIETY

Charitable Gift Annuities

Is a Charitable Gift Annuity Right for You?

Many individuals would like to make a substantial legacy gift to Houghton College, perhaps to establish a named endowed scholarship or to support the Student Scholarship Fund. However, they are concerned with the financial impact of the loss of investment income or moving assets from their control. Charitable Gift Annuities provide a creative way for people to make extraordinary gifts while providing financial security for themselves or their loved ones.

So, how do you know if a Charitable Gift Annuity is right for you?

Charitable Gift Annuities are irrevocable contracts established between a donor and a charitable organization like Houghton College that provide fixed payments for the life of one or two annuitants and leave a residual amount to benefit the charity. The fixed payments are based on the annuitant(s) age when the contract is established at rates established by the American Council on Gift Annuities. Houghton College creates gift annuity contracts for donors ages 65 and older, although donors under the age of 65 can consider a deferred annuity, which starts making payouts at a future date.

Typically, the donor is also the annuitant, often with a spouse as a second annuitant. However, it is possible to name a parent, sibling or child as an annuitant as long as those individuals meet the age requirement.

Gift annuities can be funded with cash or appreciated securities with a minimum gift amount of \$25,000. Gift annuities have beneficial tax implications, providing charitable deductions on a portion of the gift and an income stream that is partially tax-free. Gifts made with appreciated securities can offset capital gains taxes. An annuity is backed with the full assets of the College, meaning your investment is secure. The fixed payments don't fluctuate with changes in the market, offering you or your loved ones reliable income.

At the end of the annuity contract, Houghton College receives the residuum of the principal. On average, approximately 50% of the principal of an annuity remains at Houghton to continue equipping young scholar servants to lead and labor in a changing world.

If you would like to create a fixed income stream for yourself or a loved one while making a substantial contribution to Houghton College, a Charitable Gift Annuity might be right for you. Call the Office of Advancement at 585-567-9340 to talk to a representative about a charitable gift annuity today.

Due to state laws and regulations, Houghton College is able to offer charitable gift annuities to individuals living in the following U.S. states: New York, Pennsylvania, Ohio, Indiana, Virginia, and Michigan. If you live in another state, please call the Office of Advancement to discuss your situation.

Charitable Gift Annuity (CGA) vs. Charitable Remainder Unitrust (CRUT)

Basic Definition	Makes fixed payments to 1 or 2 individuals for life	Makes variable payments to 1+ individuals for a specified term
Term	The life of the annuitant(s)	Up to 20 years, for life, or a combination of the two
Contribution Size	Generally \$25,000 - \$150,000	\$150,000+
Legal Status	Exists as a contract between donor and charitable organization	Exists as its own entity, like a corporation, creating a fiduciary relationship between trustees and beneficiaries
Deferral Options	Payments can be deferred for 1 year or more (ideal for people under age 65)	Can be deferred, using a "flip" provision, until future event or passage of a specified period
Future Contributions	No contributions can be added to a gift annuity. Future contributions can establish additional annuities.	Future contributions of any amount can be added to the principal of the trust.
Payouts	Payouts are determined by annuitant's age and are generally based on rates determined by the American Council on Gift Annuities. Payout amounts are fixed at the time the annuity is created.	Payouts are calculated as the value of the trust multiplied by a fixed percentage. The percentage is fixed at establishment of the trust, but the payouts are variable as trust value changes each year.

Annuity Rates Table

What return could your gift annuity offer? Your rates are based on the annuitant's age and the number of annuitants. Here are some samples of payout rates for a single-life annuity

Age	Payout Percentage
65	4.7%
70	5.1%
75	5.8%
80	6.8%
85	7.8%
90	9.0%

Payout rates are accurate as of January 2018. For up-to-date information and a sample specific to your age and needs, please contact the Office of Advancement.

It has been a pure joy for Vesta and me to take out an annuity with Houghton College. We had some money we weren't using, and it wasn't making very much interest, and we hoped to eventually pass it on to the college when we died. But an annuity gave us the best of both worlds. We have the joy of giving it in our lifetime, and we receive some life income from it now.

~Rev. Larry Mullen
Professor Emeritus



JAMES S. LUCKEY SOCIETY

The James S. Luckey Society was established in 2010 to honor those donors whose gift plans set a firm foundation for the long-term financial health of Houghton College and its continued ability to support Houghton students as they pursue God's call on their lives.

Like these legacy donors, James S. Luckey—aptly remembered as “The Builder” —demonstrated such qualities as faithfulness, hard work and deep concern for students. As Houghton's first official president, Dr. Luckey set his nearly inexhaustible energy to the task of raising a relatively unknown seminary to a fully accredited college with a reputation for academic excellence and faith.

Even as he pursued this vision, Dr. Luckey attended to the young people God put in his care, often quietly paying their tuition or finding them jobs that would provide room and board to ensure their stay.

Members of the James S. Luckey Society share a similar vision. They give wisely for the long term, whether it is through will bequests, charitable trusts and annuities, insurance policies, or the creation of endowments. They have the big picture in mind, yet their gifts attend to the details. Their support has a major impact on the future of Houghton College, but it also touches the lives of individual students—students who will become the future servant leaders of our world.



GIFT PLANNING CONTACT INFORMATION

Office of Advancement
Houghton College
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Houghton, NY 14744

Phone: 585.567.9340

Fax: 585.567.9208

advancement@houghton.edu

www.houghton.edu/giving/



- Please call. I/we want to learn more about giving to Houghton while retaining reliable income through a Charitable Gift Annuity.
- I/we have already included Houghton College in my/our estate plan but have yet to provide documentation. Please provide me with the necessary paperwork.

Name(s): _____

Phone(s): _____

Email(s): _____

Please mail this completed form to:

Office of Advancement, Houghton College, One Willard Avenue, Houghton, NY 14744-0128



Christmas Prism 2017



I really wanted to give to Houghton, but I was concerned I might need the money later in life to cover living expenses or home health care. Using a gift annuity allowed me to give to Houghton but still leave ongoing income for me if I needed it. Because I haven't needed the income, it provided the funds to make an annual donation to the college and students I love. The gift annuity gave me a safety net.

~Lois Wilt '46

"A gift annuity was a good way to give to Houghton while making sure my wife Rosemary would be taken care of."

~Leonard Humphrey
(parent of Mark Humphrey '79)