



ACGA Rate Tables Effective 7/1/2001

The tables shown below are a copy of the maximum payout rates that the American Council on Gift Annuities (ACGA) suggests charities can offer for gift annuity contracts started on or after July 1, 2001. These rates are offered by the ACGA to its members to help eliminate competition among charities for the same potential donors. The ACGA uses conservative investment assumptions which, if realized, determine that at the actuarial termination of the annuity contract, 50% of the original principal will have been paid as part of the annuity payments to the beneficiary(ies), and the other 50% will remain for the charity's use. In most cases, the charity's investment return far exceeds these conservative assumptions so that, again in most cases, charitable gift annuities are a good planned giving option for charities to offer.

Following the annuity rate tables for one and two life contracts is an explanation of how to compute the interest factor used in calculating a deferred annuity payout rate. You will also find an explanation of how to compute deferred annuity interest factors for New Jersey and New York annuities. To do an interest factor calculation, you will need either a calculator that can handle exponents or gift planning software that does the calculation for you.

Approved by the American Council on Gift Annuities, April 30, 2001
Effective July 1, 2001

Recommended Gift Annuity Rates Single Life

Age	New Rate
20 and under	4.8%
21	4.9
22	4.9
23	5.0
24	5.0
25	5.1
26	5.1
27	5.1
28	5.1
29	5.2
30	5.2
31	5.2
32	5.2
33	5.3
34	5.3
35	5.3
36	5.3
37	5.4
38	5.4
39	5.4
40	5.4
41	5.5
42	5.5
43	5.5
44	5.5
45	5.6
46	5.6
47	5.6
48	5.7
49	5.7
50	5.7
51	5.8
52	5.8
53	5.9
54	5.9
55	6.0

Age	New Rate
56	6.1%
57	6.2
58	6.3
59	6.4
60	6.4
61	6.5
62	6.6
63	6.6
64	6.7
65	6.7
66	6.8
67	6.9
68	7.0
69	7.1
70	7.2
71	7.3
72	7.4
73	7.6
74	7.7
75	7.9
76	8.0
77	8.2
78	8.4
79	8.6
80	8.9
81	9.1
82	9.4
83	9.7
84	10.1
85	10.4
86	10.8
87	11.1
88	11.4
89	11.7
90 and over	12.0

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Recommended Gift Annuity Rates
Two Lives – Joint and Survivor

Younger Age	Older Ages	New Rate	Younger Age	Older Ages	New Rate	Younger Age	Older Ages	New Rate
20 and under	All	4.6	57	57-63	5.9	70	70-71	6.6
21	21+	4.7	57	64+	6.0	70	72-74	6.7
22	22+	4.7	58	58-61	6.0	70	75-77	6.8
23	23+	4.8	58	62+	6.1	70	78-81	6.9
24	24+	4.8	59	59-62	6.1	70	82+	7.0
25	25+	4.9	59	63+	6.2	71	71-73	6.7
26	26+	4.9	60	60-61	6.1	71	74-76	6.8
27	27+	4.9	60	62+	6.2	71	77-79	6.9
28	28+	4.9	61	61-66	6.2	71	80-82	7.0
29	29+	4.9	61	67+	6.3	71	83+	7.1
30	30+	4.9	62	62-65	6.2	72	72	6.7
31	31+	5.0	62	66-71	6.3	72	73-74	6.8
32	32+	5.0	62	72+	6.4	72	75-77	6.9
33	33+	5.0	63	63-64	6.2	72	78-80	7.0
34	34+	5.0	63	65-69	6.3	72	81-83	7.1
35	35+	5.0	63	70+	6.4	72	84+	7.2
36	36+	5.1	64	64-67	6.3	73	73	6.8
37	37+	5.1	64	68-73	6.4	73	74-75	6.9
38	38+	5.1	64	74+	6.5	73	76-78	7.0
39	39+	5.1	65	65-66	6.3	73	79-80	7.1
40	40+	5.2	65	67-71	6.4	73	81-83	7.2
41	41+	5.2	65	72+	6.5	73	84-87	7.3
42	42+	5.2	66	66-69	6.4	73	88+	7.4
43	43+	5.3	66	70-73	6.5	74	74	6.9
44	44+	5.3	66	74+	6.6	74	75-76	7.0
45	45+	5.4	67	67-68	6.4	74	77-78	7.1
46	46+	5.4	67	69-72	6.5	74	79-81	7.2
47	47+	5.4	67	73-76	6.6	74	82-83	7.3
48	48+	5.5	67	77+	6.7	74	84-87	7.4
49	49+	5.5	68	68-70	6.5	74	88+	7.5
50	50+	5.5	68	71-74	6.6	75	75	7.0
51	51+	5.6	68	75-78	6.7	75	76-77	7.1
52	52+	5.6	68	79+	6.8	75	78-79	7.2
53	53+	5.7	69	69	6.5	75	80-81	7.3
54	54+	5.7	69	70-72	6.6	75	82-84	7.4
55	55-57	5.7	69	73-76	6.7	75	85-86	7.5
55	58+	5.8	69	77-80	6.8	75	87-90	7.6
56	56+	5.9	69	81+	6.9	75	91+	7.7

Younger Age	Older Ages	New Rate
76	76	7.1
76	77-78	7.2
76	79	7.3
76	80-81	7.4
76	82-84	7.5
76	85-86	7.6
76	87-89	7.7
76	90+	7.8
77	77-78	7.3
77	79-80	7.4
77	81-82	7.5
77	83	7.6
77	84-85	7.7
77	86-88	7.8
77	89-91	7.9
77	92+	8.0
78	78-79	7.4
78	80	7.5
78	81-82	7.6
78	83	7.7
78	84-85	7.8
78	86-87	7.9
78	88-89	8.0
78	90-92	8.1
78	93+	8.2
79	79	7.5
79	80	7.6
79	81-82	7.7
79	83	7.8
79	84-85	7.9
79	86	8.0
79	87-88	8.1
79	89-91	8.2
79	92-93	8.3
79	94+	8.4
80	80	7.7
80	81-82	7.8
80	83	7.9

Younger Age	Older Ages	New Rate
80	84	8.0
80	85-86	8.1
80	87	8.2
80	88-89	8.3
80	90-91	8.4
80	92-94	8.5
80	95+	8.6
81	81	7.8
81	82	7.9
81	83	8.0
81	84	8.1
81	85	8.2
81	86-87	8.3
81	88	8.4
81	89-90	8.5
81	91-92	8.6
81	93-94	8.7
81	95+	8.8
82	82	8.0
82	83	8.1
82	84	8.2
82	85	8.3
82	86	8.4
82	87	8.5
82	88-89	8.6
82	90	8.7
82	91-92	8.8
82	93-94	8.9
82	95+	9.0
83	83	8.2
83	84	8.3
83	85	8.4
83	86	8.5
83	87	8.6
83	88	8.7
83	89	8.8
83	90	8.9
83	91-92	9.0

Younger Age	Older Ages	New Rate
83	93-94	9.1
83	95+	9.2
84	84	8.4
84	85	8.6
84	86	8.7
84	87	8.8
84	88	8.9
84	89	9.0
84	90-91	9.1
84	92	9.2
84	93	9.3
84	94+	9.4
85	85	8.7
85	86	8.8
85	87	8.9
85	88	9.0
85	89	9.1
85	90	9.2
85	91	9.3
85	92	9.4
85	93	9.5
85	94	9.6
85	95+	9.7
86	86	8.9
86	87	9.1
86	88	9.2
86	89	9.3
86	90	9.4
86	91	9.5
86	92	9.7
86	93-94	9.8
86	95+	9.9
87	87	9.2
87	88	9.4
87	89	9.5
87	90	9.6
87	91	9.8
87	92	9.9

Younger Age	Older Ages	New Rate
87	93	10.0
87	94	10.1
87	95+	10.2
88	88	9.5
88	89	9.7
88	90	9.8
88	91	10.0
88	92	10.1
88	93	10.2
88	94	10.3
88	95+	10.5
89	89	9.8
89	90	10.0
89	91	10.2
89	92	10.3
89	93	10.5
89	94	10.6
89	95+	10.7
90	90	10.2
90	91	10.4
90	92	10.5
90	93	10.7
90	94	10.8
90	95+	11.0
91	91	10.5
91	92	10.6
91	93	10.8
91	94	10.9
91	95+	11.1
92	92	10.7
92	93	10.9
92	94	11.0
92	95+	11.2
93	93	11.0
93	94	11.1
93	95+	11.3
94	94	11.2
94	95+	11.4
95 and over	95+	11.5

WARNING: These annuity rates, for both immediate and deferred annuities and for both single life and two lives, should not be used if the gift portion, based on IRS tables and the applicable discount rate, is not more than 10% of the amount paid for the annuity.

**Procedure for Calculating
Suggested Maximum Deferred Gift Annuity Rates**

1. Determine the annuity starting date, which is:
 - One year before the first payment, if payments are made annually.
 - Six months before the first payment, if payments are made semi-annually.
 - Three months before the first payment, if payments are made quarterly.
 - One month before the first payment, if payments are made monthly.
2. Determine the number of whole and fractional years from the date of the contribution to the annuity starting date (the deferral period). Express the fractional year as a decimal of four numbers.
3. If the deferral period is 20 years or less, use the following formula to determine the compound interest factor:
 - $F = 1.0575^d$, where
 - F is the compound interest factor and
 - d is the deferral period

Example: If the period between the contribution date and the annuity starting date is 11.5760 years, the compound interest factor would be $1.0575^{11.5760} = 1.9102$

4. Multiply the compound interest factor (F) by the immediate gift annuity rate for the nearest age or ages of a person or persons at the annuity starting date.

Example: If the sole annuitant will be nearest age 65 on the annuity starting date and the compound interest factor is 1.9102, the deferred gift annuity rate would be $1.9102 \times 6.7\% = 12.8\%$ (rounded to the nearest tenth of a percent).

5. For deferral periods of more than 20 years, the procedure for calculating the compound interest factor is somewhat more complex. That is because the compound interest rate decreases for periods longer than 20 years. The compound interest rates are:

1 – 20 years	–	5.75%
20+ – 25 years	–	5.50%
25+ – 30 years	–	5.25%
30+ years	–	5.0%

Example: If the deferral period is 28.7050 years, follow this procedure:

$$\begin{array}{rcl}
 1.0575^{20} & = & 3.0592 \\
 1.0550^5 \times 3.0592 & = & 3.9984 \\
 1.0525^{3.7050} \times 3.9984 & = & 4.8329
 \end{array}$$

Each calculation is rounded to a decimal of four numbers.

Comments:

- The annuity starting date for purposes of calculating the deferred gift annuity rate will be the same as the annuity starting date for calculating the charitable deduction, if payments are at the end of the period (which is usually the case). This was not true with the pre-July 1, 2001 methodology.
- An annuitant is credited with compound interest for the entire period from the date of contribution to the annuity starting date. Under the previous methodology, compound interest was credited only for the number of whole years between the two dates.

**Note to Charities Issuing Deferred Gift Annuities
in New York and New Jersey ***

If the deferral period does not exceed 20 years, you may follow the same procedure as for all other states.

If the deferral period is more than 20 years, you must use a lower compound interest factor for the entire period. Through August of 2001, a compound interest factor not exceeding 5.25% for the entire deferral period would meet New York and New Jersey requirements in nearly all instances.

When New York and New Jersey release their interest assumptions later this year, the maximum compound interest factor for longer deferral periods may change. Information about the maximum compound interest factors for these two states will be posted on the ACGA website at that time. See www.ACGA-WEB.ORG.

- * New York and New Jersey are the two states known at this time to require different interest factors for deferred gift annuities with longer deferral periods.