

CD Transfer Program

Do you own a bank CD?

- Are you satisfied with your current CD rate?
- Would you like to generate a higher tax-advantaged income?
- Do you want to save money on your taxes?

The National Community Foundation (NCF) CD Transfer Program provides these benefits:

- Immediate income tax deduction
- Fixed tax-favored income for life or a specified number of years
- Immediate or deferred income payments
- Reduction or elimination of applicable estate tax
- Reinsurance on most transactions
- The ability to support your favorite charities and other charitable causes worldwide

Example:

Charles and Helen Barker, ages 75 and 74, are unhappy with their CD earnings. Their CD is valued at \$100,000 and is currently earning 3% - all of which is taxable each year. Charles and Helen can transfer all or a portion of their CD to NCF for a Charitable Gift Annuity (CGA). They would earn more income by transferring \$50,000 of their CD to NCF for a CGA than they were previously earning from the entire \$100,000 in their CD. By transferring only half of their CD to an NCF CGA, they also have the comfort of retaining \$50,000 in their current CD.

	Bank CD	NCF CGA
Asset Value	\$100,000	\$50,000
Annual Rate	3% interest rate	6.3% payout rate
Annual Payout	\$3,000	\$3,150
After Tax Net Payout	\$2,250	\$2,883
Income Tax Deduction	\$0	\$14,827
Tax Savings	\$0	\$3,707
Principal	Remains in estate	Removed from taxable estate

This is a hypothetical example based upon a 25% tax bracket. Actual income and tax benefits will vary. Please consult your advisor for an exact illustration based on your information. NCF is the development division of New Life International, a Christian nonprofit organization established in 1979. NCF programs are not available in all states. NCF does not provide legal or tax advice. Not FDIC insured or insured by any federal or state government agency. NCF reinsures most new transactions with insurance companies rated at least "A" or better by the accredited rating agency, A.M. Best. In cases when reinsurance is not used, 100% of the present value is secured by assets in a Master Trust account at U.S. Bank and the general assets of New Life International.

