

## Charitable Gift Annuities

### What are they?

With a charitable gift annuity (CGA), you transfer cash or securities to the Foundation. In exchange, the Foundation agrees by contract to pay you or the beneficiaries you name a guaranteed annuity amount for life. Your charitable deduction is calculated by taking the value of the transferred property, less the value of the annuity. At the death of the last annuity recipient, the remaining assets will be used by the Foundation as you instructed.

### What are the benefits?

- A guaranteed fixed income stream
- A charitable income tax deduction
- Reduced capital gains spread out over the annuitant's life expectancy, if your gift is made with appreciated securities
- Reduced estate tax liability
- A portion of each payment free of income tax

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For more information about charitable gift annuities including a detailed illustration of the potential payout and tax treatment, contact our Development department at (401) 274-4564.

### Deferred Gift Annuities

With a deferred gift annuity, you transfer cash or securities to the Foundation and enter into a CGA contract that provides for future rather than current income payments. These payments must be deferred for at least one year and paid when the annuitant is at least 65 years old. The more time elapsed before payment begins, the greater the payment and income tax deduction. A deferred gift annuity offers the same benefits as a regular CGA.

If you would like to supplement the payments you receive from your qualified retirement plan and Social Security, consider a deferred gift annuity. Unlike an employer-sponsored retirement plan, a DGA enables you to:

- contribute as much as you want without limitation
- contribute appreciated stock as well as cash
- decide in which year to make a contribution
- start receiving payments as late as you wish

### Minimum contribution

The minimum gift to establish a charitable gift annuity is \$50,000. The minimum age for a charitable gift annuity beneficiary is 65.