

CHARITABLE GIFT ANNUITY

CHARITABLE GIFT ANNUITY

Charitable gift annuities (CGAs) are a unique way to combine philanthropy with investment. You donate a gift to a charity, and in return, the charity pays you a fixed annual payment for the rest of your life. The gift is valued at the time of the donation, and the annual payment is based on that value. The charity's investment earnings are used to fund the payments, and any remaining funds are used for the charity's purposes. CGAs are a great way to support a charity you care about while also providing you with a steady stream of income.

HOW DOES A CGA WORK?

When you donate a gift to a charity, you can choose to have the charity pay you a fixed annual payment for the rest of your life. The gift is valued at the time of the donation, and the annual payment is based on that value. The charity's investment earnings are used to fund the payments, and any remaining funds are used for the charity's purposes. CGAs are a great way to support a charity you care about while also providing you with a steady stream of income.

ARE THERE ANY AGE OR GIFT AMOUNT RESTRICTIONS?

There are no age or gift amount restrictions for CGAs. You can donate a gift of any amount, and you can start receiving payments at any age.

WHAT ASSETS CAN I USE TO FUND A CGA?

You can use a variety of assets to fund a CGA, including cash, stocks, bonds, and real estate. The charity will value the gift at the time of the donation, and the annual payment will be based on that value.

IS IT WORTH THE TIME AND ENERGY TO CHANGE FROM MY CURRENT INVESTMENT TO A CGA?

CGAs can be a great way to support a charity you care about while also providing you with a steady stream of income. However, it's important to consider the time and energy involved in setting up a CGA and the potential tax implications. Consulting with a financial advisor can help you determine if a CGA is the right choice for you.

HOW IS THE ANNUITY RATE DETERMINED?

GIFT PLANNING TIP

When you purchase an annuity, you are essentially making a loan to the insurance company. The annuity rate is determined by the interest rate on that loan. The higher the interest rate, the higher the annuity rate. The interest rate is determined by the Federal Reserve Bank of New York. The Federal Reserve Bank of New York sets the discount rate, which is the interest rate on loans to member banks. The discount rate is the primary determinant of the interest rate on loans to member banks. The interest rate on loans to member banks is the primary determinant of the annuity rate.