

# Holy Cross

## Charitable Gift Annuities



Supporting College of the Holy Cross through life-income gifts can be mutually rewarding.

Life income gifts help you provide meaningful support to Holy Cross while providing you with income for life (or a specified period of years) and leaving the remainder to the College for whatever purpose you choose.

There are several options for making a charitable gift that pays you income. One of the most popular (and one that does not require an attorney), is a Charitable Gift Annuity (CGA). A CGA is a simple contract between you and Holy Cross. You can fund a CGA with cash, transfer appreciated stock that isn't paying a dividend or convert another underperforming asset like a savings account, money market fund or CD bearing little or no interest. You'll receive payments for life and a tax deduction for the year that you make the gift.

There's a CGA option for everyone. Your payout rate is based upon your age. You can establish a one-life CGA for yourself, or you can establish a two-life CGA for yourself and another person.

### IMMEDIATE GIFT ANNUITY

You can make your gift, take a deduction, and begin receiving annuity payments right away. This option is available for donors who are age 60 or older.

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## **DEFERRED GIFT ANNUITY**

If you're still working and don't need the income yet, you can fund a deferred CGA today, take an immediate tax deduction and schedule your payments to begin on a specific date in the future; this can be advantageous for younger donor, as deferring payments will increase your payout rate and allows for larger and less taxed payments.

## **FLEXIBLE GIFT ANNUITY**

This is like a deferred gift annuity, with a donor-directed option to delay the payments. The longer you wait to receive payments, the higher the payout rate and the larger your income payments will be. If you aren't ready to receive income and aren't quite sure when you will be, a flexible CGA may be right for you.

## **IRA > CGA OPTION**

CAA 2023 allows for a one-time distribution to create a life income gift, most commonly a charitable gift annuity (CGA), and charitable remainder unitrusts (CRT) or annuity trusts. This new type of QCD is a one-time maximum transfer of \$55,000 to a qualified CRT, or in exchange with a charity for a CGA. Important terms and conditions apply. Please contact our office or your financial advisor.

This type of gift will reduce the value of your IRA, therefore reducing your future RMDs (as they will be based on the lower value). Also, a CGA provides a constant guaranteed lifetime stream of revenue. Using a distribution from your IRA to create an annuity is a savvy way to diversify your holdings and lock in a great return.

As always, we recommend that you consult a qualified advisor before making a new gift commitment.

**To see what a CGA would look like for you, contact us for a personalized illustration.**

\*Availability may vary by state.